LINDQUIST
LINDQUIST+VENNUM

Minneapolis • Denver

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4200 IDS Center
80 South Eighth Street
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October 4, 2011

Certified Mail, Return Receipt Requested

South Dakota Secretary of State
State Capitol, Suite 204
Business Division-Bond Information Statement Filing
500 East Capitol
Pierre, SD 57501-5070

Re: $2,075,000 Limited Tax General Obligation Certificates of Participation, Series 2011A Evidencing Undivided Interests in Lease Payments to be Made by Minnehaha County, South Dakota Pursuant to a Lease-Purchase Agreement with U.S. Bank National Association

Dear Filing Officer:

Enclosed for filing is a Bond Information Statement for the above-referenced transaction, together with a check for the $10.00 filing fee. A copy of the Official Statement for the above-referenced offering is also enclosed for your reference.

Please return acknowledgment of filing at your earliest opportunity. If you have any questions, please call me at (612) 371-2490.

Very truly yours,

Debera A Heimerl

Debera A. Heimerl
Legal Administrative Assistant

Enclosures

RECEIVED
OCT - 6 2011
S.D. SEC. OF STATE

BOND INFORMATION STATEMENT
State of South Dakota
SDCL 6-8B-19

Return:

Secretary of State
State Capitol
500 E. Capitol
Pierre, SD 57501-5077

FILING FEE: $10.00

TELEPHONE: (605) 773-3537

Every public body, authority, or agency issuing any general obligation, revenue, improvements, industrial revenue, special assessment, or other bonds of any type shall file with the Secretary of State a bond information statement concerning each issue of bonds.

1.	Name of Issuer:	Minnehaha County, South Dakota
2.	Designation of issue:	$2,075,000 Limited Tax General Obligation Certificates of Participation, Series 2011A
3.	Date of issue:	October 4, 2011
4.	Purpose of issue:	to refund a portion of the 2004 Certificates, the 2007B Certificates and the 2008 Certificates
5.	Type of bond:	certificates of participation evidencing undivided interests in lease payments to be made by Minnehaha County pursuant to a lease-purchase agreement with U.S. Bank National Association
6.	Principal amount and denomination of bond:	$5,000 in denominations as set forth in the attached Thirteenth Amendment to Lease-Purchase Agreement
7.	Paying dates of principal and interest:	June 1 and December 1 of each year commencing June 1, 2012
8.	Amortization schedule:	see attached Thirteenth Amendment to Lease-Purchase Agreement
9.	Interest rate or rates, including total aggregate interest cost:	see attached Thirteenth Amendment to Lease-Purchase Agreement

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2189486

This is to certify that the above information pertaining to Minnehaha County is true and correct on this 4th day of October, 2011.

LINDQUIST & VENNUM P.L.L.P.,
as Bond Counsel

By: Elizabeth Aby

For further information regarding the enclosed filing, contact Elizabeth G. Aby, Lindquist & Vennum P.L.L.P., 4200 IDS Center, Minneapolis, Minnesota (612/371-3535)

Execution Copy

2011A

THIRTEENTH AMENDMENT TO

LEASE-PURCHASE AGREEMENT

between

U.S. BANK NATIONAL ASSOCIATION, as trustee

lessor

and

MINNEHAHA COUNTY, SOUTH DAKOTA

as lessee

Dated as of the 1st day of September, 2011

This instrument drafted by:
Lindquist & Vennum P.L.L.P.
4200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402

THIS THIRTEENTH AMENDMENT TO LEASE-PURCHASE AGREEMENT, dated as of September 1, 2011 (the "Thirteenth Amendment to Lease"), by and between U.S. BANK NATIONAL ASSOCIATION, as trustee, a banking association duly organized and existing under the laws of the United States, as lessor (the "Trustee") and MINNEHAHA COUNTY, SOUTH DAKOTA, a political subdivision of the State of South Dakota (the "County"), as lessee;

WITNESSETH:

WHEREAS, the Trustee and the County entered into a Declaration of Trust (the "Original Trust Agreement") dated as of September 1, 1992 relating to the $9,950,000 Certificates of Participation, dated September 1, 1992 (the "1992 Certificates"), as amended and supplemented by the First Supplemental Declaration of Trust, dated as of November 1, 1994 (the "First Supplemental Trust Agreement") relating to the $5,630,000 Certificates of Participation, Series 1994A, dated as of November 1, 1994 (the "1994A Certificates"), the Second Supplemental Declaration of Trust, dated as of April 1, 1997 (the "Second Supplemental Trust Agreement") relating to the $3,460,000 Certificates of Participation Series 1997A (the "1997A Certificates"), the Third Supplemental Declaration of Trust, dated as of April 1, 1999 (the "Third Supplemental Trust Agreement") relating to the $8,555,000 Certificates of Participation Series 1999 (the "1999 Certificates"), the Fourth Supplemental Declaration of Trust, dated as of December 1, 2000 (the "Fourth Supplemental Trust Agreement") relating to the $10,000,000 Certificates of Participation Series 2000 (the "2000 Certificates") and the $13,000,000 Certificates of Participation Series 2001 (the "2001 Certificates"), the Fifth Supplemental Declaration of Trust, dated as of September 1, 2004 (the "Fifth Supplemental Trust Agreement) relating to the $13,170,000 Certificates of Participation Series 2004 (the "2004 Certificates"), the Sixth Supplemental Declaration of Trust, dated as of October 1, 2005 (the "Sixth Supplemental Trust Agreement") relating to the $1,700,000 Certificates of Participation Series 2005A (the "2005A Certificates"), the Seventh Supplemental Declaration of Trust, dated as of October 1, 2005 (the "Seventh Supplemental Trust Agreement") relating to the $2,900,000 Certificates of Participation Series 2005C (the "2005C Certificates"), the Eighth Supplemental Declaration of Trust, dated as of October 1, 2006 (the "Eighth Supplemental Trust Agreement") relating to the $1,750,000 Certificates of Participation Series 2006 (the "2006 Certificates"), the Ninth Supplemental Declaration of Trust, dated as of August 1, 2007 (the "Ninth Supplemental Trust Agreement") relating to the $12,275,000 Certificates of Participation Series 2007 (the "2007 Certificates"), the Tenth Supplemental Declaration of Trust, dated as of August 1, 2007 (the "Tenth Supplemental Trust Agreement") relating to the $2,130,000 Certificates of Participation Series 2007B (the "2007B Certificates") and the Eleventh Supplemental Declaration of Trust, dated as of September 1, 2008 (the "Eleventh Supplemental Trust Agreement") relating to the $417,000 Certificates of Participation Series 2008 (the "2008 Certificates") and the Twelfth Supplemental Declaration of Trust, dated as of November 1, 2010 (the "Twelfth Supplemental Trust Agreement") relating to the $2,785,000 Taxable Limited Tax General Obligation Certificates of Participation-Recovery Zone Economic Development Bonds, Series 2011A and $385,000 Limited Tax General Obligation Certificates of Participation, Series 2010B (collectively, the "2010 Certificates") in a Lease-Purchase Agreement between the Trustee and the County, dated as of September 1, 1992 (the "Original Lease"), as amended and supplemented by the First Amendment to Lease-Purchase Agreement, dated as of November 1, 1994 (the "First Amendment to Lease"), the Second Amendment to Lease-Purchase Agreement, dated as of April 1, 1997 (the "Second Amendment to Lease"), the Third Amendment to Lease-Purchase

Agreement, dated as of April 1, 1999 (the "Third Amendment to Lease"), the Fourth Amendment to Lease-Purchase Agreement, dated as of December 1, 2000 (the "Fourth Amendment to Lease"), the Fifth Amendment to Lease-Purchase Agreement, dated as of September 1, 2004 (the "Fifth Amendment to Lease"), the Sixth Amendment to Lease-Purchase Agreement, dated as of October 1, 2005 (the "Sixth Amendment to Lease"), the Seventh Amendment to Lease-Purchase Agreement, dated as of October 1, 2005 (the "Seventh Amendment to Lease"), the Eighth Amendment to Lease-Purchase Agreement, dated as of October 1, 2006 (the "Eighth Amendment to Lease"), the Ninth Amendment to Lease-Purchase Agreement, dated as of August 1, 2007 (the "Ninth Amendment to Lease"), the Tenth Amendment to Lease-Purchase Agreement, dated as of October 1, 2007 (the "Tenth Amendment to Lease"), the Eleventh Amendment to Lease-Purchase Agreement, dated as of September 1, 2008 (the "Eleventh Amendment to Lease") and the Twelfth Amendment to Lease-Purchase Agreement, dated as of November 1, 2010 (the "Twelfth Amendment to Lease"); and

WHEREAS, pursuant to Section 3.19 of the Original Trust Agreement, Additional Certificates (as defined in the Original Trust Agreement) may be issued under and be equally and ratably secured by the Original Trust Agreement to provide funds to pay all or any parts of the costs of acquisition, construction, furnishing and equipping of additions to the Facilities (as defined in the Original Indenture), and provided other conditions are met as set forth in Section 3.19 of the Original Trust Agreement; and

WHEREAS, the County and the Trustee may amend the Original Trust Agreement, without the consent of or notice to any of the Owners (as defined in the Original Trust Agreement) of the Certificates, under Section 7.02 of the Original Trust Agreement to issue Additional Certificates as provided in Section 3.19 of the Original Trust Agreement; and

WHEREAS, the Thirteenth Supplemental Declaration of Trust, dated as of September 1, 2011 (the "Thirteenth Supplemental Trust Agreement") is necessary to issue the $2,075,000 Limited Tax General Obligation Certificates of Participation, Series 2011A (the "2011A Certificates") in the Original Lease, as amended and supplemented by the First Amendment to Lease, the Second Amendment to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Fifth Amendment to Lease, the Sixth Amendment to Lease, the Seventh Amendment to Lease, the Eighth Amendment to Lease, the Ninth Amendment to Lease, the Tenth Amendment to Lease, the Eleventh Amendment to Lease and the Twelfth Amendment to Lease between the County and the Trustee, to provide funds to refund a portion of the Series 2004 Certificates, the Series 2007B Certificates and the Series 2008 Certificates; and

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

1. All words and phrases defined in the Original Lease under Section 1.1 as amended by the First Amendment to Lease, the Second Amendment to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Fifth Amendment to Lease, the Sixth Amendment to Lease, the Seventh Amendment to Lease, the Eighth Amendment to Lease, the Ninth Amendment to Lease, the Tenth Amendment to Lease,

the Eleventh Amendment to Lease and the Twelfth Amendment to Lease shall have the same meaning when used in this Thirteenth Amendment to Lease except as follows:

Interest: the portion of any Lease Payment designated as and comprising interest as described in Exhibit B to the Original Lease, Exhibit A to the First Amendment to Lease, Exhibit A to the Second Amendment to Lease, Exhibit A to the Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease.

Interest Payment Date or Payment Date: any of the dates for scheduled payments of Interest as shown on Exhibit B to the Original Lease, Exhibit A to the First Amendment to Lease, Exhibit A to the Second Amendment to Lease, Exhibit A to the Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease.

Lease Payment: the payment due from the County to the Trustee on each Payment Date during the Term of the Lease, as shown on Exhibit B to the Original Lease, Exhibit A to the First Amendment to Lease, Exhibit A to the Second Amendment to Lease, Exhibit A to the Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease.

Lease Payment Account: the account established under Section 4.03 of the Trust Agreement.

Payment Date: the date upon which any Lease Payment is due and payable as provided in Exhibit B to the Original Lease, Exhibit A to the First Amendment to Lease, Exhibit A to the Second Amendment to Lease, Exhibit A to the Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease.

Principal: the portion of any Lease Payment designated as principal on Exhibit B to the Original Lease, Exhibit A to the First Amendment to Lease, Exhibit A to the Second Amendment to Lease, Exhibit A to the Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease.

Principal Balance: as of any date, $93,935,000 plus new issue, less the aggregate amount of Principal theretofore paid.

Principal Payment Date: any of the dates for scheduled payments of Principal, as shown on Exhibit B to Original Lease, Exhibit A to First Amendment to Lease, Exhibit A to Second Amendment to Lease, Exhibit A to Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease.

2. Exhibit A to this Thirteenth Amendment to Lease sets forth the date and Interest and Principal components of each Lease Payment relating to the 2011A Certificates coming due during the Lease Term, and the provisions for prepayment of such Lease Payments.

3. Section 2.1 is deleted in its entirety and a new Section 2.1 as follows is substituted in lieu thereof:

Section 2.1. Representations, Covenants and Warranties of County. The County represents, covenants and warrants as follows:

(a) The County is authorized under the Constitution and laws of the State to enter into the Original Lease, the First Amendment to Lease, the Second Amendment to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Fifth Amendment to Lease, the Sixth Amendment to Lease, the Seventh Amendment to Lease, the Eighth Amendment to Lease, the Ninth Amendment to Lease, the Tenth Amendment to Lease, the Eleventh Amendment to Lease, the Twelfth Amendment to Lease and the Thirteenth Amendment to Lease and the transactions contemplated hereby, and to perform all of its obligations thereunder or hereunder.

(b) The officers of the County executing the Original Lease, the First Amendment to Lease, the Second Amendment to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Fifth Amendment to Lease, the Sixth Amendment to Lease, the Seventh Amendment to Lease, the Eighth Amendment to Lease, the Ninth

Amendment to Lease, the Tenth Amendment to Lease, the Eleventh Amendment to Lease, the Twelfth Amendment to Lease and the Thirteenth Amendment to Lease have been duly authorized to do so.

(c) The County will file with the Internal Revenue Service the information reporting statement required by Section 149(e) of the Code.

(d) The County agrees that it will not take any action which would have the effect of subjecting the Interest to be paid under the Lease to federal income taxes nor will the County fail to take any action which failure could result in subjecting the Interest to be paid under the Lease to federal income taxes.

4. Section 3.4 is deleted in its entirety and a new Section 3.4 as follows is substituted in lieu thereof:

Section 3.4. Lease Payments. Subject to the provisions of Section 3.5, the County shall pay to the Trustee Lease Payments at the times and in the manner specified in the Exhibit B attached to the Original Lease, Exhibit A attached to the First Amendment to Lease, Exhibit A attached to the Second Amendment to Lease, Exhibit A to the Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease. The Lease Payments shall be paid directly to the Registrar in lawful money of the United States of America in immediately available funds on the Payment Date.

5. Section 8.1 is deleted in its entirety and a new Section 8.1 as follows is substituted in lieu thereof:

Section 8.1. Option to Prepay in Whole or in Part. The County shall have the option to prepay the unpaid Lease Payments but only in the manner provided in Exhibit B to the Original Lease, Exhibit A to the First Amendment to Lease, Exhibit A to the Second Amendment to Lease, Exhibit A to the Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease.

6. Section 8.2 is deleted in its entirety and a new Section 8.2 as follows is substituted in lieu thereof:

Section 8.2. Exercise of Prepayment Option. The County shall give notice to the Trustee of its intention to exercise its prepayment option not less than 90 days in advance of the date of exercise, and shall pay to the Trustee on the date of exercise an amount

equal to the amount of Principal to be prepaid, plus accrued interest to the prepayment date, as shown in Exhibit B to the Original Lease, Exhibit A to the First Amendment to Lease, Exhibit A to the Second Amendment to Lease, Exhibit A to the Third Amendment to Lease, Exhibit A to the Fourth Amendment to Lease, Exhibit A to the Fifth Amendment to Lease, Exhibit A to the Sixth Amendment to Lease, Exhibit A to the Seventh Amendment to Lease, Exhibit A to the Eighth Amendment to Lease, Exhibit A to the Ninth Amendment to Lease, Exhibit A to the Tenth Amendment to Lease, Exhibit A to the Eleventh Amendment to Lease, Exhibit A to the Twelfth Amendment to Lease and Exhibit A to the Thirteenth Amendment to Lease less any Net Proceeds to be applied to the amount to be so paid in accordance with Section 6.2.

7. <u>265(b) Designation</u>. The County hereby designates the 2011A Certificates as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

8. <u>Binding Effect</u>. This Thirteenth Amendment to Lease shall inure to the benefit of and shall be binding upon the Trustee and the County and their respective successors and assigns.

9. <u>Severability</u>. In the event any provision of this Thirteenth Amendment to Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

10. <u>Execution in Counterparts</u>. This Thirteenth Amendment to Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank;
signature pages follow.]

IN WITNESS WHEREOF, the Trustee has caused this Thirteenth Amendment to Lease to be executed in its corporate name by its duly authorized officer; and the County has caused this Thirteenth Amendment to Lease to be executed in its name by its duly authorized officers and sealed with its corporate seal, as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION

By: Judith I Foe

Its: Assistant Vice President

Signature page of the Thirteenth Amendment to Lease-Purchase Agreement, dated as of September 1, 2011 between U.S. Bank National Association, as lessor, and Minnehaha County, South Dakota, as lessee.

MINNEHAHA COUNTY, SOUTH DAKOTA

By:____________________
Its: Chairman

ATTEST:

By:____________________
Its: County Auditor

(SEAL)

Signature page of the Thirteenth Amendment to Lease-Purchase Agreement, dated as of September 1, 2011 between U.S. Bank National Association, as lessor, and Minnehaha County, South Dakota, as lessee.

STATE OF SOUTH DAKOTA)
) ss.
COUNTY OF MINNEHAHA)

On this 6 day of September, 2011, before me, a Notary Public within and for said County, personally appeared John Pekas and Bob Litz, to me personally known, who being by me duly sworn, did say that they are the Chairman and County Auditor, respectively, of MINNEHAHA COUNTY, SOUTH DAKOTA, a political subdivision of the State of South Dakota, the subdivision referred to in the foregoing instrument; that the seal affixed to said instrument is the corporate seal of said political subdivision; that said instrument was signed and sealed in behalf of said political subdivision by authority of its Board of County Commissioners; and said Chairman and County Auditor acknowledged said instrument to be the free act and deed of said political subdivision.

Cynthia L. Drake
Notary Public
Minnehaha County, South Dakota
My commission expires: 1-16-2013

(Notarial Seal)

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

On this ___ day of ___________, 2011, before me, a Notary Public within and for said County, personally appeared Judith Foley, to me personally known, who being by me duly sworn, did say that (s)he is an Assistant Vice President of U.S. BANK NATIONAL ASSOCIATION, the banking association referred to in the foregoing instrument; that said instrument was signed and sealed in behalf of said banking association by authority and sealed in behalf of said banking association by authority of its Board of Directors; and (s)he acknowledged said instrument to be the free act and deed of said banking association.

____
Notary Public
_____________________ County,
My commission expires:

(Notarial Seal)

STATE OF SOUTH DAKOTA)
) ss.
COUNTY OF MINNEHAHA)

On this ___ day of ____________, 2011, before me, a Notary Public within and for said County, personally appeared John Pekas and Bob Litzt, to me personally known, who being by me duly sworn, did say that they are the Chairman and County Auditor, respectively, of MINNEHAHA COUNTY, SOUTH DAKOTA, a political subdivision of the State of South Dakota, the subdivision referred to in the foregoing instrument; that the seal affixed to said instrument is the corporate seal of said political subdivision; that said instrument was signed and sealed in behalf of said political subdivision by authority of its Board of County Commissioners; and said Chairman and County Auditor acknowledged said instrument to be the free act and deed of said political subdivision.

____
Notary Public
Minnehaha County, South Dakota
My commission expires:

(Notarial Seal)

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

On this 1st day of September 2011, before me, a Notary Public within and for said County, personally appeared Judith Foley, to me personally known, who being by me duly sworn, did say that (s)he is an Assistant Vice President of U.S. BANK NATIONAL ASSOCIATION, the banking association referred to in the foregoing instrument; that said instrument was signed and sealed in behalf of said banking association by authority and sealed in behalf of said banking association by authority of its Board of Directors; and (s)he acknowledged said instrument to be the free act and deed of said banking association.

DENISE R. LANDEEN
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2012

(Notarial Seal)

Denise R. Landeen
Notary Public
Ramsey County,
My commission expires: 01/31/2012

EXHIBIT A

Lease Payments and Prepayment Provisions

1. 2011A Lease Payment Dates; Principal and Interest Components.

Payment Date (as of Last Business Day)	Principal Amount	Interest Payment	Lease Payment
May, 2012		$19,883.31	$19,883.31
November, 2012		15,101.25	15,101.25
May, 2013		15,101.25	15,101.25
November, 2013	$250,000.00	15,101.25	265,101.25
May, 2014		14,288.75	14,288.75
November, 2014	250,000.00	14,288.75	264,288.75
May, 2015		13,351.25	13,251.25
November, 2015	255,000.00	13,351.25	268,351.25
May, 2016		12,203.75	12,203.75
November, 2016	255,000.00	12,203.75	267,203.75
May, 2017		10,610.00	10,610.00
November, 2017	260,000.00	10,610.00	270,610.00
May, 2018		8,595.00	8,595.00
November, 2018	265,000.00	8,595.00	273,595.00
May, 2019		6,077.50	6,077.50
November, 2019	265,000.00	6,077.50	271,077.50
May, 2020		3,162.50	3,162.50
November, 2020	275,000.00	3,162.50	278,162.50

3. Prepayment. (a) The 2011A Certificates maturing on or after December 1, 2017, are also subject to redemption, in whole or in part in inverse order of maturity and by lot within any one maturity, on any date on or after December 1, 2016, at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.

(b) The Principal Balance shall also be subject to redemption, in whole, at a prepayment price equal to the Principal component being prepaid plus accrued interest, on any Interest Payment Date if the County exercises its option, or is required, to prepay the Principal Balance, as provided in Section 6.2 of the Lease.

NEW ISSUE **RATING: Moody's "Aa1"** (negative outlook)

In the opinion of Lindquist & Vennum P.L.L.P., Bond Counsel, according to federal laws, regulations, ruling and decisions in effect on the date of issuance of the 2011A Certificates, the interest to be paid on the 2011A Certificates is not includable in gross income for federal income tax purposes except under certain conditions. Interest paid on 2011A Certificates is not an item of tax preference includable for purposes of computing the alternative minimum tax applicable to all taxpayers, including individuals, under the Internal Revenue Code of 1986 (the "Code"), however, interest paid on the 2011A Certificates is not includable in adjusted current earnings in determining the alternative minimum taxable income of corporations for purposes of the federal alternative minimum tax. Interest on the 2011A Certificates is includable in gross income for South Dakota income tax purposes when the owner is a financial institution as defined in South Dakota Codified Laws, Chapter 10-43. The County will designate the Lease Payments relating to the 2011A Certificates as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986. See "TAX MATTERS," herein.

$2,075,000

Certificates of Participation, Series 2011A

(Limited Tax General Obligation)
Evidencing Proportionate Interests of the Owners
in a Lease-Purchase Agreement between
U.S. BANK NATIONAL ASSOCIATION
and
MINNEHAHA COUNTY, SOUTH DAKOTA

Dated: Date of Issuance **Due: December 1, as shown on the inside cover**

The Certificates of Participation, Series 2011A (the "2011A Certificates") are being delivered to refund all or a portion of the Certificates of Participation (Limited Tax Obligation) Series 2004 (the "2004 Certificates"), the Certificates of Participation (Limited Tax Obligation) Series 2007B (the "2007B Certificates") and the Certificates of Participation (Limited Tax Obligations) Series 2008 (the "2008 Certificates") due on December 1, 2011 which were issued to finance the acquisition, remodeling, expansion, construction and equipping of facilities, which included some or all of the following: (i) a work release facility, (ii) a law enforcement facility, (iii) the juvenile corrections facility and (iv) the County courthouse. The 2011A Certificates represent proportionate interests in payments to be made by Minnehaha County (the "County") under a Lease-Purchase Agreement, dated as of September 1, 1992, as amended and supplemented by the First Amendment to Lease-Purchase Agreement, dated as of November 1, 1994, the Second Amendment to Lease-Purchase Agreement, dated as of April 1, 1997, the Third Amendment to Lease-Purchase Agreement, dated as of April 1, 1999, the Fourth Amendment to Lease-Purchase Agreement, dated as of December 1, 2000, the Fifth Amendment to Lease Purchase Agreement, dated as of September 1, 2004, the Sixth Amendment to Lease-Purchase Agreement, dated as of October 1, 2005, the Seventh Amendment to Lease-Purchase Agreement, dated as of October 1, 2005, the Eighth Amendment to Lease-Purchase Agreement, dated as of October 1, 2006, the Ninth Amendment to Lease-Purchase Agreement, dated as of August 1, 2007, the Tenth Amendment to Lease-Purchase Agreement, dated as of October 1, 2007, the Eleventh Amendment to Lease-Purchase Agreement, dated as of September 1, 2008, the Twelfth Amendment to Lease-Purchase Agreement, dated as of November 1, 2010 and the Thirteenth Amendment to Lease-Purchase Agreement, dated as of September 1, 2011 (collectively, the "Administration and Law Enforcement Lease") with U.S. Bank National Association (the "Trustee").

The County has agreed to levy a tax annually which is intended to provide the Trustee with sufficient revenue to make all Lease Payments under the Trust Agreement as they become due.

The 2011A Certificates will be issued pursuant to a book-entry system and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. There will be no distribution of the 2011A Certificates in certificate form to the ultimate purchasers (the "Beneficial Owners") except as provided herein. See "THE CERTIFICATES OF PARTICIPATION" herein. Interest on the 2011A Certificates will be payable on June 1 and December 1 of each year, commencing June 1, 2012, by check or draft mailed by U.S. Bank National Association, Saint Paul, Minnesota, or its successor, as paying agent, transfer agent and registrar (the "Operations Agent") to the Owners of record thereof as of the close of business on the fifteenth (15^{th}) day (whether or not such day is a Business Day) of the month preceding such payment at the addresses appearing in the certificate register maintained by the Operations Agent. Principal of the 2011A Certificates is payable at maturity upon surrender thereof at the designated office location of Operations Agent. So long as DTC or its nominee is the registered owner of 2011A Certificates, disbursement of payments of principal and interest to DTC is the responsibility of the Operations Agent and disbursement of such payments to the Beneficial Owners is the responsibility of DTC, as more fully described herein.

The 2011A Certificates will be subject to redemption prior to maturity. See "THE CERTIFICATES OF PARTICIPATION – Redemption."

The 2011A Certificates are offered when, as and if issued subject to the opinion of Lindquist & Vennum P.L.L.P., Minneapolis, Minnesota, Bond Counsel, as to validity and tax exemption. Certain legal matters will be passed on for the County by Gordon Swanson, Deputy State's Attorney. It is expected that delivery of the 2011A Certificates will be made through the facilities of The Depository Trust Company on or about October 4, 2011, against payment therefor.

Subject to prevailing market conditions Dougherty & Company LLC (the "Underwriter"), may but is not obligated to, effect secondary market transactions. The Underwriter is not obligated, however, to repurchase any of the 2011A Certificates. See "UNDERWRITING" herein.

DOUGHERTY & COMPANY LLC

The date of this Official Statement is August 29, 2011.

The 2011A Certificates mature on December 1, as follows:

MATURITY SCHEDULE

Series 2011A

Maturity	Amount	Interest Rate	Price	CUSIP
12/01/2013	$ 250,000	0.65%	0.65%	603850 FE3
12/01/2014	250,000	0.75	0.75	603850 FF0
12/01/2015	255,000	0.90	0.90	603850 FG8
12/01/2016	255,000	1.25	1.25	603850 FH6
12/01/2017	260,000	1.55	1.55	603850 FJ2
12/01/2018	265,000	1.90	1.90	603850 FK9
12/01/2019	265,000	2.20	2.20	603850 FL7
12/01/2020	275,000	2.30	2.30	603850 FM5

OFFICIAL STATEMENT

This Official Statement does not constitute an offer to sell the 2011A Certificates in any state or other jurisdiction to any person whom it is unlawful to make such offer in such state or jurisdiction. No dealer, salesman, or any person has been authorized to give any information or to make any representation other than those contained herein in connection with the offering of the 2011A Certificates, and if given or made, such information or representation must not be relied upon.

The information set forth herein has been obtained from the County, DTC, and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the County or anyone acting on its behalf. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the 2011A Certificates shall, except as specifically stated herein, create any implication that there has been no change in the affairs of the County since the date of this Official Statement.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION OF THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED "FORWARD-LOOKING STATEMENTS," MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET" OR SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COUNTY DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

THE 2011A Certificates HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SECTION 3(A)(2) OF SUCH ACT.

Any CUSIP numbers for the 2011A Certificates included in this Official Statement are provided for the convenience of the owners and prospective investors. The County is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the 2011A Certificates or as set forth in this Official Statement.

TABLE OF CONTENTS

OFFICIAL STATEMENT

$2,075,000
Certificates of Participation, Series 2011A
(Limited Tax General Obligation)
Evidencing Proportionate Interests of the Owners
in a Lease-Purchase Agreement between
U.S. BANK NATIONAL ASSOCIATION
and
MINNEHAHA COUNTY, SOUTH DAKOTA

INTRODUCTION

Definitions

Certain terms used in this Official Statement, if not defined herein, are defined in Appendix A hereto.

General Description

The purpose of this Official Statement, including the cover pages and Appendices hereto, is to provide information in connection with the offering, sale and delivery of $2,075,000 2011A Certificates described herein. Each of the 2011A Certificates represent the undivided ownership interest of the Owner thereof in and to the Lease (as defined hereinafter) and the right to receive certain revenue thereunder, including, without limitation, the Lease Payments due under the Lease, at the times, in the manner and from the sources specified therein.

The Trustee has issued the 2011A Certificates pursuant to the Trust Agreement. The Trustee's interest in the Lease and in the Facilities which are subject to the Lease, including the right to receive Lease Payments under the Lease, has been assigned to the Trustee for the benefit of the Owners of the 2011A Certificates pursuant to the terms of the Trust Agreement. Pursuant to the Lease, the County will remit such Lease Payments under the Lease directly to the Trustee. The Lease Payments are payable by the County as described in "LEASE-PURCHASE AGREEMENT – Lease Term and Payments."

Pursuant to the Lease, dated as of November 1, 1992, as amended and supplemented, the Trustee leased the Land from the County for a term ending on December 1, 2030, with an automatic renewal for an additional ten (10) years, if the Certificates have not been fully paid at the expiration of the initial term.

Pursuant to the Thirteenth Amendment to Lease-Purchase Agreement, dated as of September 1, 2011 (the "Thirteenth Amendment to Lease"), by and between the Trustee as lessor and the County as lessee, the Trustee will refund all or a portion the Certificates of Participation (Limited Tax Obligation) Series 2004 (the "2004 Certificates"), the Certificates of Participation (Limited Tax Obligation) Series 2007B (the "2007B Certificates") and the Certificates of Participation (Limited Tax Obligations) Series 2008 (the "2008 Certificates") due on December 1, 2011 which were issued to finance the acquisition, remodeling, expansion, construction and equipping of facilities, which included some or all of the following: (i) a work release facility, (ii) a law enforcement facility, (iii) the juvenile corrections facility and (iv) the County courthouse. Pursuant to the Lease-Purchase Agreement, dated as of September 1, 1992 (the "Original Lease"), the Trustee issued the 1992 Certificates to finance the acquisition, remodeling, expansion, construction and equipping of facilities, which included some or all of the following: (i) a work release facility, (ii) a law enforcement facility, (iii) the juvenile corrections facility and (iv) the County courthouse (the "1992 Facilities"). Pursuant to the First Amendment to Lease-Purchase Agreement, dated as of November 1, 1994 (the "First Amendment to Lease"), the Trustee issued

the 1994A Certificates to complete the 1992 Facilities. Pursuant to the Second Amendment to Lease-Purchase Agreement, dated as of April 1, 1997 (the "Second Amendment to Lease"), a portion of the Series 1994A Certificates were refunded. Pursuant to the Third Amendment to Lease-Purchase Agreement, dated as of April 1, 1999 (the "Third Amendment to Lease") the Trustee refunded the 1992 Certificates. Pursuant to the Fourth Amendment to Lease-Purchase Agreement, dated as of December 1, 2000 (the "Fourth Amendment to Lease"), the Trustee issued the 2000 Certificates and the 2001 Certificates to finance the costs of acquisition, construction, furnishing and equipping of a jail on the Land. Pursuant to the Fifth Amendment to Lease-Purchase Agreement, dated as of September 1, 2004 (the "Fifth Amendment to Lease"), the Trustee issued the 2004 Certificates to refund a portion of the Series 2000 Certificates and the 2001 Certificates. Pursuant to the Sixth Amendment to Lease-Purchase Agreement, dated as of October 1, 2005 (the "Sixth Amendment to Lease"), the Trustee issued the 2005A Certificates to refund a portion of the 1997A Certificates, the 1999 Certificates and the 2000 Certificates. Pursuant to the Seventh Amendment to Lease-Purchase Agreement, dated as of October 1, 2005 (the "Seventh Amendment to Lease"), the Trustee issued the 2005C Certificates to finance the costs of acquisition, construction, furnishing and equipping of the Facilities. Pursuant to the Eighth Amendment to Lease-Purchase Agreement, dated as of October 1, 2006 (the "Eighth Amendment to Lease"), the Trustee issued the 2006 Certificates to refund a portion of the 1997A Certificates, 1999 Certificates and the 2000 Certificates which were issued to pay all or a portion of the costs of acquisition, construction, furnishing and equipping of a work release facility, law enforcement facility, juvenile corrections facility, jail and courthouse. Pursuant to the Ninth Amendment to Lease-Purchase Agreement, dated as of August 1, 2007 (the "Ninth Amendment to Lease"), the Trustee issued the 2007 Certificates to finance the costs of acquisition, renovation, construction and equipping of an addition to the courthouse and the renovation of the parking lot adjacent to the county administration building. Pursuant to the Tenth Amendment to Lease-Purchase Agreement, dated as of October 1, 2007 (the "Tenth Amendment to Lease"), the Trustee issued the 2007B Certificates to refund a portion of the 1994A Certificates. Pursuant to the Eleventh Amendment to the Lease-Purchase Agreement, dated as of September 1, 2008 (the "Eleventh Amendment to Lease"), the Trustee issued the 2008 Certificates to refund a portion of the Certificates of Participation (Limited Tax Obligation) Series 1999 which were issued to refund a portion of the Series 1992 Certificates, Pursuant to the Twelfth Amendment to the Lease-Purchase Agreement, dated November 1, 2010 (the "Twelfth Amendment to Lease"), the Trustee issued the 2010 Certificates to pay the costs of acquisition, renovation, construction and equipping of an addition to the jail. The Original Lease, as amended and supplemented by the First Amendment to Lease, the Second Amendment to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Fifth Amendment to Lease, the Sixth Amendment to Lease, the Seventh Amendment to Lease, the Eighth Amendment to Lease, the Ninth Amendment to Lease, the Tenth Amendment to Lease, the Eleventh Amendment to Lease, the Twelfth Amendment to Lease and the Thirteenth Amendment to Lease is collectively referred to herein as the Lease.

THE CERTIFICATES OF PARTICIPATION

General Provisions

The 2011A Certificates will be authenticated and issued by the Trustee pursuant to the Trust Agreement. The 2011A Certificates will be initially dated date of issuance and will mature as shown on the inside cover page hereof. Interest on the 2011A Certificates is payable on each June 1 and December 1, commencing June 1, 2012. The 2011A Certificates are issuable in denominations of $5,000. Each Certificate evidences the Owner's right to receive distributions of a portion of the Lease Payments payable by the County pursuant to the Lease. Principal with respect to the 2011A Certificates shall be payable at the corporate trust office of the Operations Agent, acting as registrar and paying agent, in St. Paul, Minnesota. Interest with respect to the 2011A Certificates shall be payable by check or draft of the Operations Agent, acting as registrar and paying agent, mailed on the Interest Payment Date to the owner of record as of the fifteenth (15^{th}) day (whether or not a business day) of the month preceding the Interest

Payment Date, at the address shown on the Certificate Register required to be maintained by the Operations Agent, acting as registrar and paying agent. The 2011A Certificates delivered prior to June 1, 2009 will be dated date of issuance, and the 2011A Certificates delivered on or after June 1, 2009, will be dated the preceding Interest Payment Date, or, if delivered on an Interest Payment Date, the date of delivery. The 2011A Certificates may be transferred, and principal with respect to the 2011A Certificates will be payable upon surrender at the principal corporate trust office of the Operations Agent, acting as registrar and paying agent, in the manner provided in the Trust Agreement.

Ownership of the 2011A Certificates will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), as securities depository for the 2011A Certificates. Unless and until the book-entry system with respect to the 2011A Certificates is terminated by DTC or the County, beneficial ownership interests in the 2011A Certificates may be acquired in book-entry from only, in the principal amount of $5,000 or any integral multiple thereof of a single maturity, and will not be evidenced by individual certificates.

Book-Entry Only System

Information concerning The Depository Trust Company, New York, New York ("DTC") and the Book-Entry System (APPENDIX E – BOOK ENTRY ONLY SYSTEM) has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer, the Underwriter or the Trustee.

Certificates in Book-Entry Form

Beneficial ownership in the 2011A Certificates will be available to Beneficial Owners (as described in APPENDIX E – BOOK ENTRY ONLY SYSTEM) only by or through DTC Participants via a book-entry system (the "Book-Entry System") maintained by DTC. If the 2011A Certificates are taken out of the Book-Entry System and delivered to owners in physical form, as contemplated hereinafter under "Discontinuance of DTC Services", the following discussion will not apply.

Redemption

Extraordinary Redemption. The 2011A Certificates are subject to redemption, in whole, but not in part, on any date for which notice of redemption can be given, at a redemption price equal to their principal amount plus accrued interest, if the County elects, or is required to prepay the Lease Payments relating to the 2011A Certificates upon the occurrence of certain events of damage to, or destruction or condemnation of the Facilities covered by the Lease..

Optional Redemption. The 2011A Certificates maturing on and after December 1, 2017, are subject to redemption on and after December 1, 2016, in whole on any date or in part on any date, at a price equal to the principal amount thereof to be redeemed, plus interest accrued to the date of redemption.

Selection of Certificates for Redemption. The 2011A Certificates shall be called for redemption in inverse order of maturity dates; if less than all the 2011A Certificates maturing on the same date are to be redeemed, the 2011A Certificates shall be selected by lot in such manner as the Trustee shall determine; provided that the portion of any 2011A Certificates to be redeemed shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. When redemption is authorized or required, the Trustee shall give the Owners of the 2011A Certificates to be redeemed notice of the redemption of their 2011A Certificates. Such notice shall specify: (a) the 2011A Certificates (or portion thereof) to be redeemed; (b) the date of redemption; and (c) the place or places where the redemption will be made. Such notice shall further

state that on the specified redemption date interest on the 2011A Certificates to be redeemed shall cease to accrue and be payable.

Notice of such redemption shall be given not less than thirty (30) days prior to the redemption date by mailing first class, postage prepaid, copies thereof to the Owners whose 2011A Certificates are to be redeemed. Failure to mail such notice shall not affect the validity of the proceedings for the redemption of the 2011A Certificates.

Additional Certificates

(a) Additional Certificates may be issued under and be equally and ratably secured by the Trust Agreement on a parity with the Certificates issued under the Trust Agreement and any other Additional Certificates Outstanding, at any time and from time to time, for any of the following purposes.

(1) To provide funds to pay all or any part of the costs of completing the Project, the total of such costs to be evidenced by a certificate signed by an Authorized Officer of the County.

(2) To provide funds to pay all or any part of the costs of repairing, replacing or restoring the Project in the event of damage, destruction or condemnation thereto or thereof, but only to the extent that such costs exceed the Net Proceeds of the insurance or condemnation awards out of which such costs are to be paid pursuant to the Lease.

(3) To provide funds to pay all or any part of the costs of acquisition, construction, furnishing and equipping of additions to the Facilities.

(4) To provide funds for refunding all or any portion of the Certificates of any series issued under the Trust Agreement then Outstanding, including the payment of any premium thereon and interest to accrue to the designated redemption date and any expenses in connection with such refunding.

(b) Before any Additional Certificates shall be issued under the Trust Agreement, the County shall adopt a resolution (i) authorizing or approving the issuance of such Additional Certificates; (ii) authorizing or approving the execution of a Supplemental Trust Agreement for the purpose of issuing such Additional Certificates and fixing the amount and terms thereof and describing the purpose or purposes for which such Additional Certificates are being issued or describing the Certificates to be refunded; and, if required, (iii) authorizing the execution of an amendment to the Lease to provide for Lease Payments at least sufficient to pay amounts representing principal, premium, if any, and interest with respect to the Certificates then to be Outstanding (including the Additional Certificates to be issued) as the same become due.

(c) Except as to any difference in date, maturity, interest rate or redemption provisions, such Additional Certificates shall be on a parity with and shall be entitled to the same benefit and security of the Trust Agreement as the Certificates and any other Additional Certificates Outstanding after the issuance of such Additional Certificates.

(d) Such Additional Certificates shall be executed substantially in the form and manner set forth in the Trust Agreement, upon filing with the Trustee of the following:

(1) An original or certified copy of the resolution adopted by the County Board authorizing or approving the issuance of such Additional Certificates and the execution of such Supplemental Trust Agreement.

(2) An original executed counterpart of the Supplemental Trust Agreement providing for the issuance of such Additional Certificates.

(3) An original executed counterpart of the amendment to the Lease, if required, which amendment shall clearly establish that the County has agreed that the Additional Certificates shall constitute Certificates for the purpose of computing the required Lease Payments.

(4) A request and authorization to the Trustee, on behalf of the County, executed by an Authorized Officer of the County, to execute the Additional Certificates and to deliver them to the Original Purchaser therein identified upon payment of the purchase price thereof to the Trustee.

(5) An opinion of counsel nationally recognized in the area of municipal finance to the effect that the issuance of such Additional Certificates will not result in amounts representing interest payable with respect to any Certificates then Outstanding (including such Additional Certificates) becoming includable in gross income for federal income tax purposes.

(6) In the case of Additional Certificates being issued to refund Outstanding Certificates, such additional documents as shall be reasonably required by the Trustee to evidence that provision has been duly made in accordance with the provisions of the Trust Agreement for the payment of all of the Certificates to be refunded.

(7) Such other Certificates, statements, receipts and documents as the Trustee shall reasonably require for the delivery of such Additional Certificates.

(e) Except as described above, no obligations payable from the sources pledged for payment or security of the Certificates relating to the Trust Agreement, shall be issued on a parity with the Certificates relating to the Trust Agreement, but obligations subordinate to the Certificates relating to the Trust Agreement, may be issued upon the express written direction and consent of the County.

SOURCE AND SECURITY FOR PAYMENTS

Lease Payments

The Lease requires payment of semi-annual Lease Payments by the County, which payments are to be paid directly to the Trustee. The Lease Payments under the Thirteenth Amendment to Lease are due from the County on the last Business Day of each May and November, commencing on the last Business Day of May 2012.

The Lease is not subject to termination by the County except upon payment or prepayment of the Lease Payments, and the County's obligation to make Lease Payments is absolute and unconditional. The County has covenanted in the Resolution that it will budget and appropriate sufficient moneys in each year of the Lease Term to pay the Lease Payments when due and to pay any other amounts payable by the County under the Lease. The County further covenants in the Resolution that it will take all actions necessary to provide moneys to make such payments under the Lease, including the levy of such taxes as may be necessary, subject only to the limitations on such levies imposed by State law. The current limitations on the County's ability to levy taxes to pay the Lease Payments and other amounts payable under the Lease are discussed below.

Levy Limitations

The tax levy for general purposes by a county in the State cannot exceed twelve dollars ($12.00) per thousand dollars of taxable valuation. In addition to the tax levy for general purposes, a South Dakota county may levy up to $0.90 per thousand dollars of taxable valuation for county buildings. South Dakota Codified Laws, Section 10-13-35 provides that the total amount of revenue derived from property taxes for county purposes may increase over the prior year's revenues by the smaller of three percent (3%) or the CPI inflation index and increases in revenues from additions, improvements or changes in the

use of real property are permitted, as well as increased revenues resulting from annexations, reorganizations and certain other limited circumstances. Section 10-13-35 also provides that a county may increase its revenues above the revenue limitation to pay principal, interest, and redemption charges on any bonds, which were subject to a referendum. South Dakota Codified Laws, Section 7-24-18 provides a separate and unlimited levy to pay interest and principal on county issued bonds.

Under South Dakota Codified Laws, Section 10-13-36, the revenue limitations under South Dakota Codified Laws, Section 10-13-35 may be exceeded by an excess tax levy imposed by a two-thirds vote of the County Commission, subject to a referendum by petition by 5% of the registered voters of the County. The County in July 2000 authorized an additional permanent tax levy under South Dakota Codified Laws, Section 10-13-36 (the "Opt Out Levy") not to exceed $1,150,000 for the calendar year 2000 taxes payable in calendar year 2001 and any subsequent calendar years. The County in July 2001 authorized an additional permanent tax levy under the Opt Out Levy not to exceed $500,000 for the calendar year 2001 taxes payable in calendar year 2002 and any subsequent years. The County in July 2005 authorized a tax levy under the Opt Out Levy not to exceed $260,000 beginning with the calendar year 2005 taxes payable in calendar year 2006 through calendar year 2024 taxes payable in calendar year 2025. The County in July 2006 authorized a tax levy under the Opt Out Levy not to exceed $1,625,000 beginning with the calendar year 2006 taxes payable in the calendar year 2007 through calendar year 2025 taxes payable in calendar year 2026. These additional tax levies were approved by at least two-thirds of the County Commissioners and no petition seeking a referendum was filed by the registered voters of the County. For 2010 taxes payable in 2011 the County's General Fund levy was $2.501, its Building Fund Levy was $0.328, and its Bond Redemption Levy was $0.090. It is projected that the Bond Redemption Levy for the lease payments on the 2011A Certificates should not increase future year levies by more than $0.027.

SOURCES AND USES OF FUNDS

The proceeds of the 2011A Certificates will be used to pay the costs of acquisition, renovation, construction, and equipping of an addition to the jail and pay costs of issuance of the 2011A Certificates.

2011A Certificates

Sources		
Par Amount of the 2011A Certificates	$	2,075,000.00
Total Sources	$	2,075,000.00
Uses		
Deposit to 2011A Current Refunding Account	$	2,017,148.75
Costs of Issuance and Underwriter's Discount		57,851.25
Total Uses	$	2,075,000.00

THE COUNTY

The County is a body politic and corporate, organized under and pursuant to the constitution and laws of the State of South Dakota. The County has the authority to enter into a lease for the purpose of acquiring real and personal property for its governmental functions. General information regarding the County's location, organization, administration, economy, tax base, tax collections and financial conditions is included in Appendix B to this Official Statement.

LEASE-PURCHASE AGREEMENT

The following is a summary of certain provisions of the Lease. This summary does not purport to be complete, and reference is made to the full text of the Lease for a complete recital of its terms.

Lease Term and Payments

The Lease-Purchase Agreement, dated as of September 1, 1992 (the "Original Lease"), as amended and supplemented by the First Amendment to Lease-Purchase Agreement, dated as of November 1, 1994 (the "First Amendment to Lease"), the Second Amendment to Lease-Purchase Agreement, dated as of April 1, 1997 (the "Second Amendment to Lease"), the Third Amendment to Lease-Purchase Agreement, dated as of April 1, 1999 (the "Third Amendment to Lease"), the Fourth Amendment to Lease-Purchase Agreement, dated as of December 1, 2000 (the "Fourth Amendment to Lease"), the Fifth Amendment to Lease Purchase Agreement, dated as of September 1, 2004 (the "Fifth Amendment to Lease"), the Sixth Amendment to Lease-Purchase Agreement, dated as of October 1, 2005 (the "Sixth Amendment to Lease"), the Seventh Amendment to Lease-Purchase Agreement, dated as of October 1, 2005 (the "Seventh Amendment to Lease"), the Eighth Amendment to Lease-Purchase Agreement, dated as of October 1, 2006 (the "Eighth Amendment to Lease"), the Ninth Amendment to Lease-Purchase Agreement, dated as of August 1, 2007 (the "Ninth Amendment to Lease"), the Tenth Amendment to Lease-Purchase Agreement, dated as of October 1, 2007 (the "Tenth Amendment to Lease"), the Eleventh Amendment to Lease-Purchase Agreement, dated as of September 1, 2008 (the "Eleventh Amendment to Lease"), the Twelfth Amendment to Lease-Purchase Agreement, dated as of November 1, 2010 (the "Twelfth Amendment to Lease") and the Thirteenth Amendment to Lease-Purchase Agreement, dated as of September 1, 2011 (the "Thirteenth Amendment to Lease") (collectively, the Original Lease, as amended and supplemented by the First Amendment to Lease, the Second Amendment to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Fifth Amendment to Lease, the Sixth Amendment to Lease, the Seventh Amendment to Lease, the Eighth Amendment to Lease, the Ninth Amendment to Lease, the Tenth Amendment to Lease, the Eleventh Amendment to Lease, the Twelfth Amendment to Lease and the Thirteenth Amendment to Lease is referred to collectively, as the "Lease"), extends until December 1, 2030. The first Lease Payments due under the Original Lease were due on the last Business Day of November, 1992. The Lease Payments due under the Thirteenth Amendment to Lease will continue semiannually with the last Lease Payment payable under the Thirteenth Amendment to Lease is due on the last Business Day of November 2030.

The Lease shall terminate prior to December 1, 2030, upon the earliest of the following events:

(a) the County elects to exercise its option to deposit with the Trustee cash or securities sufficient to discharge the County's obligation to pay or prepay all unpaid Lease Payments under the Lease when they are due; or

(b) the County elects to exercise its option to prepay all of the Lease Payments under the Lease.

The Lease is not otherwise terminable by the County, and the County has covenanted to include each year in its annual budget moneys sufficient to pay the Lease Payments and other obligations of the County under the Lease.

Consummation of Purchase

The Trustee's interest in the Land and Facilities will be transferred, conveyed and assigned to the County and the Lease will terminate: (a) at the end of the Term of the Lease, upon payment in full of all Lease Payments due thereunder and all other sums required to be paid thereunder; (b) prior to the end of the Term, on any date for the payment of a Lease Payment on or after the last Business Day of November, 2027, upon payment by the County of the then current Principal Balance, in conjunction with the Lease Payment under the Lease then due and owing; (c) prior to the end of the Term, if the County is not in

default under the Lease, upon payment of the then current Principal Balance in the event of damage, destruction and/or condemnation to the applicable Land and Facilities, and the County elects not to complete the repair, restoration, modification or improvement of the Land and Facilities; or (d) if the County discharges all Lease Payments by depositing cash or securities with the Trustee.

Covenants of the County

The County represents, covenants and warrants, among other things, that: (a) the County is authorized under the Constitution and laws of the State to enter into the Lease and the transactions contemplated therein, and to perform all of its obligations thereunder; (b) the officers of the County executing the Lease have been duly authorized to execute and deliver the Lease; (c) the Facilities which are the subject of the Lease will be used during the Term of the Lease primarily to carry out the governmental or proprietary purposes of the County and its departments, agencies, institutions, instrumentalities and political subdivisions; and (d) it will not take any action which would have the effect of subjecting the interest to be paid under the Lease to federal income taxes nor will it fail to take any action which failure could result in subjecting the interest to be paid under the Lease to federal income taxes.

Security in the Land and Facilities and Release of Land and Facilities

The Land and Facilities subject to the Ground Lease and the Lease are held by the Trustee during the term of the Ground Lease and the Lease, unless (i) the County discharges its obligation to make the Lease Payments pursuant to the Lease or (ii) a portion of the Land and Facilities are released pursuant to provisions of the Ground Lease and Lease, see "THE GROUND LEASE."

Title to the Facilities subject to the Lease will pass to the County upon payment of an amount of cash or securities which are general obligations of the United States sufficient to pay all Lease Payments when due or subject to prepayment.

The Facilities on the Land may also be released when the Land is released pursuant to the Ground Lease, see ("THE GROUND LEASE") herein.

Maintenance and Repair

The County agrees that at all times during the Term of the Lease, the County will, at the County's sole cost and expense, maintain, preserve and keep the Land and Facilities subject to the Lease, or part and parcel thereof, in good repair, working order and condition and that the County will from time to time make or cause to be made all necessary and proper repairs, replacements and improvements.

Restrictions on Assignment and Conveyance

Neither the Lease nor the Land and Facilities subject to the Lease may be mortgaged, sold, leased, pledged, assigned, transferred, conveyed or otherwise encumbered by the County for any reason. Such restrictions shall not, however, preclude the County from assigning its obligations under the Lease, with the consent of the Trustee, or subleasing the Land and Facilities subject to the Lease to others for public purposes or in furtherance of any governmental or proprietary functions of the County. No such permitted use or lease shall relieve the County of its obligations under the Lease or cause the interest on the Lease and Certificates to become subject to federal income taxation.

Taxes

The County shall pay all property and excise taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Land and Facilities or any part thereof subject to the Lease or the Lease Payments, and which become due during

the term of the Lease; and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Land and Facilities subject to the Lease; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of the Lease as and when the same become due. The County shall not be required to pay any federal, state, or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate or other similar tax payable by the Trustee, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon property.

Insurance

The County shall cause adequate casualty, public liability and property damage insurance in specified amounts (with respect to the casualty insurance, in an amount not less than the full insurable value of the Facilities subject to the Lease) to be carried and maintained with respect to the Land and Facilities and to protect the Trustee from liability in all events. The County may self-insure, subject to the conditions set forth in the Lease.

Indemnification Covenants

As between the Trustee and the County, the County assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Facilities and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the County, the Trustee or of third parties, and whether such property damage be to the County or the Trustee's property or the property of others, which is proximately caused by the negligent conduct of the County, its officers, employees, agents and lessees, or arising out of the operation, maintenance or use of the Land and Facilities by the County, its officers, employees, agents and lessees. The County assumes responsibility for and agrees to reimburse the Trustee for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Trustee or its officers or employees that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part on the foregoing, to the maximum extent permitted by law.

Events of Default and Remedies

The occurrence of one or more of the following events shall constitute an Event of Default under the Lease: (a) failure by the County to pay any Lease Payment or other payment required to be paid under the Lease at the time specified therein; (b) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than the failure to timely pay any Lease Payment or other required payment, for a period of forty-five (45) days after written notice to the County by the Trustee, specifying such failure and requesting that it be remedied, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Trustee has agreed not to withhold unreasonably its consent to an extension of such time if corrective action is instituted by the County within any applicable period and diligently pursued until the default is corrected; or (c) the occurrence of an Act of Bankruptcy.

Upon the occurrence of any Event of Default specified in the Lease, any or all of the following remedies are provided: (a) without terminating such Lease, and subject to the rights of any entity subleasing all or any portion of the Land and Facilities which is not in default under a sublease complying with the Lease, re-enter and take possession of the Land and the Facilities and exclude the County and any sublessee in default from using it until the default is cured; or (b) take whatever action at law or in equity may appear necessary or desirable to (i) collect the Lease Payments then due or as they become

due, or (ii) enforce performance and observance of any obligation, agreement or covenant of the County under the Lease or the Resolution, including without limitation enforcing the obligations of the County to budget and levy taxes for the payment of the Lease Payments.

Damage, Destruction and Condemnation: Use of Insurance Proceeds

If, while the Lease is in effect, (a) the Facilities, or any portion thereof, are destroyed (in whole or in part) or damaged by fire or other casualty or, (b) title to, or the temporary use of, the Land and Facilities (or any part thereof) or the estate of the County or the Trustee in the Land and the Facilities, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body, or any person, firm or corporation acting under governmental authority, the County will cause the Net Proceeds of any insurance claim or condemnation award to be applied to the prompt repair, restoration, modification or improvement of such Land and Facilities.

If the Net Proceeds of insurance or a condemnation award are insufficient to pay in full the cost of any repair, restoration, modification or improvement to the Land and Facilities subject to the Lease, the County either (a) shall complete the work and pay any costs in excess of the amount of the Net Proceeds of insurance or a condemnation award, or (b) may apply the Net Proceeds to prepayment of the Lease Payments.

TRUST AGREEMENT

The following is a summary of certain provisions of the Trust Agreement. This summary does not purport to be complete, and reference is made to the full text of the Trust Agreement for a complete recital of its terms.

General

The Trust Agreement is executed by the Trustee and joined in by the County. The purpose of the Trust Agreement is to provide for the authentication, issuance, payment and redemption of the Certificates issued thereunder and to provide for the creation thereunder of a Trust Fund for Certificates for the purposes hereinafter described.

The Certificates of Participation

The Trustee is authorized upon receipt of a request from the County to issue, authenticate and deliver the 2011A Certificates. The 2011A Certificates will be issued in the form provided in the Trust Agreement and shall evidence the ownership interest of the Owners of the 2011A Certificates in and to the Lease and the Lease Payments to be paid by the County to the Trustee pursuant to the Lease and the Trust Agreement, and all revenues derived from the Lease, any money made available for distribution to the Owners of the Certificates from the subsequent sale, leasing or other disposition of the Land and the Facilities subject to the Lease as a result of an event of default, and any other moneys required to be paid to the Trustee for the Owners of Certificates.

Funds

The Trust Agreement creates a fund known as the Trust Fund. All moneys and investments held by the Trustee under the Trust Agreement are held for the benefit of the present and future Owners of the Certificates issued under the Trust Agreement and shall be expended only as provided in the Trust Agreement. Within the Trust Fund, there are created a Lease Payment Account, a Redemption Account, an Escrow Fund and a Construction Account.

The 2011A Escrow Account

All of the net proceeds of the 2011A Certificates other than the amount to pay issuance costs of the 2011A Certificates shall be deposited in the 2011A Escrow Account created under the Trust Agreement. The Trustee shall, from the 2011A Escrow Account, provide funds sufficient to defease a portion of the 2004 Certificates, the 2007B Certificates and the 2008 Certificates then outstanding.

The Construction Account

After the deposit to the 2011A Escrow Account the balance of the proceeds of the 2011A Certificates shall be deposited in the Construction Account. The Trustee shall make disbursements from the Construction Account from time to time, upon County certification, in payment or reimbursement of the costs of issuance of the 2011A Certificates.

Any balance in the Construction Account six months after the 2011A Certificates are issued shall be transferred to the Lease Payment Account.

The Lease Payment Account

The Trust Agreement establishes a Lease Payment Account into which shall be deposited the amount of accrued interest received by the Trustee from the initial proceeds, any transfer from the Construction Account, all interest or income received by the Trustee with respect to the Lease or the Land and the Facilities.

On each Payment Date, the Trustee shall withdraw from the Lease Payment Account an amount equal to the principal and interest payments due with respect to the Certificates issued under the Trust Agreement on such Payment Date. Such amount shall be applied to the payment of principal and interest payments due with respect to the Certificates on such Payment Date. The Trustee shall transfer from the Lease Payment Account to the Redemption Account all moneys on hand or received in the Lease Payment Account which are to be used for the redemption of the Certificates.

The Redemption Account

The Trustee shall deposit into the Redemption Account under the Trust Agreement all moneys paid to it by the County pursuant to any of the County's prepayment options under the Lease and, in the event of termination of the Lease as a result of an event of default under the Lease, all net proceeds received from the sale or other disposition of the Land and Facilities subject to the Lease. Also, in the event of termination of a Lease as a result of an event of default or the exercise by the County of its option to prepay Lease Payments, the Trustee shall transfer to the Redemption Account all moneys on hand in the Lease Payment Account not required to pay principal and interest due or past due on the Certificates.

All moneys on hand in the Redemption Account which will not be used for the redemption of Certificates within thirty (30) days after the date of deposit of such funds, shall be invested at a yield not exceeding the yield on the Lease, computed in accordance with Section 148 of the Code and regulations promulgated thereunder. However, such funds may be invested at a higher yield if the County obtains and delivers to the Trustee an opinion of an attorney or firm of attorneys nationally recognized as bond counsel stating that the investment of such moneys may be made without restriction as to yield or subject to another yield limitation. Any moneys remaining in the Redemption Account after redemption of all outstanding Certificates issued under the Trust Agreement shall be paid to the County.

Rights of Trustee

In carrying out its duties and exercising its powers under the Lease, the Trustee shall exercise that degree of care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own business affairs.

The Trustee shall be protected and shall incur no obligation or liability with respect to the payment of Lease Payments by the County or the performance by the County of any of its obligations under the Lease. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such Certificate shall be deposited with the Trustee or satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee.

The Trust Agreement does not require that the Trustee expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Trust Agreement, or in the exercise of any of its right or powers thereunder. The Trustee shall not be individually liable for any payments to be made under any Certificates, the Trust Agreement or the Lease. The Trustee shall be under no obligation to institute or to take any immediate action, or to enter any appearance or in any way defend any suit in which it may be made defendant, take any steps in the enforcement of any rights and powers under the Trust Agreement until it shall be indemnified to its satisfaction for any and all costs, expenses, outlays and counsel fees and any other reasonable disbursements and against all liabilities. The Trustee shall be compensated by the County and such compensation shall not be paid from the Lease Payments or any other revenues received pursuant to the Lease or funds held by the Trustee except with respect to amounts expended in connection with the exercise of remedies upon the occurrence of any event of default.

The Trustee may resign, and thereby become discharged from its obligations under the Trust Agreement, by notice in writing given to the Owners of the Certificates. The Trustee may be removed at any time by instrument in writing executed by the Owners of not less than a majority of the aggregate principal amount of the Certificates or by agreement between the County and the Trustee. If at any time the position of Trustee shall become vacant, a majority of the Registered Owners shall appoint a Trustee to fill such vacancy.

Events of Default

Upon the occurrence of any Event of Default under the Lease, the Trustee or the Owners of not less than a majority of the aggregate principal amount of the Certificates then outstanding shall be entitled, upon notice in writing to the County and the Trustee, to enforce the rights and exercise the remedies provided to the Trustee in the Lease, as appropriate.

Amendments to Trust Agreement and Lease

The Trust Agreement and the Lease may be amended in writing by agreement among all of the parties thereto, but, except as provided below no such amendment shall become effective without the prior written consent of two-thirds in aggregate principal amount of the Certificates then Outstanding; provided that no such amendment shall impair the right of any Owner to receive his or her proportionate share of any Lease Payment in accordance with his or her Certificate; provided that amendments required by a Rating Agency as a condition to maintaining the initial rating on the Certificates shall not require consent of Certificate Owners.

The County and the Trustee may, without the consent of or notice to any of the Owners of the Certificates, enter into one or more amendments to the Trust Agreement or the Lease for one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission herein or to correct or supplement any provision therein which may be inconsistent with any other provision therein, or to make provisions with respect to matters or questions arising thereunder provided such action shall not, in the judgment of the Trustee (with respect to which the Trustee may rely on an opinion of counsel), materially adversely affect the interests of the Owners of the Certificates;

(b) To grant or confer upon the Owners of the Certificates any additional rights, remedies, power or authority that may lawfully be granted or conferred upon them;

(c) To comply with the requirements of any State or federal securities laws or the Trust Indenture Act of 1939, as from time to time amended, if required by law or regulation lawfully issued thereunder;

(d) To provide for the appointment of a successor trustee or co-trustee pursuant to the terms hereof;

(e) To permit: (i) if lawful, the issuance of Certificates in book entry form not evidenced by physical Certificates, or (ii) Certificates in bearer form if, in the opinion of Bond Counsel, such action will not cause the interest component of any Lease Payment to become includable in the gross income of the Owners of the Certificates thereof for federal income tax purposes;

(f) To subject to the Trust Agreement additional revenues, properties or collateral; or

(g) To issue Additional Certificates as provided in the Trust Agreement.

THE GROUND LEASE

The following is a summary of certain provisions of the Ground Lease. This summary does not purport to be complete, and reference is made to the full text of the Ground Lease for a complete recital of its terms.

The County, pursuant to the Ground Lease, as amended, leased the Land to the Trustee for a term commencing on September 1, 1992 and ending on December 1, 2030, for the purpose of (i) acquiring and constructing the Facilities on the Land, (ii) maintaining the Facilities, (iii) access, ingress and egress to the Facilities, and (iv) other purposes as set forth therein. The term of the Ground Lease is automatically extended to December 1, 2040 if all Lease Payments under the Lease have not been fully paid or provided for by the County. Under certain conditions the Land may be released from the Ground Lease.

Pursuant to the Ground Lease, if no default exists, the County shall have the right, at any time and from time to time, to a release of Land from the Ground Lease, if such Land does not contain any permanent structure necessary for the total operating unity and efficiency of the existing structures on the Land which are subject to the Lease (the "Existing Structures") for the purpose of selling the same to a third person or to facilitate the construction or additional structures not related to the Existing Structures on the Land, and the Trustee shall, from time to time, release from the Ground Lease such real property so sold, pledged or disposed of, but only upon receipt by the Trustee of (1) a certificate of a County representative setting forth in substance as follows: (A) the number of acres or square feet of the property to be released, (B) the property to be released is not needed for the operation of the Existing Structures and is not necessary for the total operating unity and efficiency of the Existing Structures, (C) the release will not impair the structural integrity of the Existing Structures or the usefulness of the Existing Structures for their existing purposes and will not inhibit adequate means of ingress to or egress from the Existing Structures, and (D) all conditions precedent herein provided for relating to such release have been complied with, and (2) a survey prepared by a registered land surveyor describing and showing the Land, after giving effect to such release; (3) A certificate of an independent engineer that the Land to be

released is not necessary for the total operating unity and efficiency of the Existing Structures; and (4) An opinion of counsel stating that the certificates, opinions and other instruments and cash which have been or are therewith delivered to and deposited with the Trustee conform to the requirements of the Ground Lease and that, upon the basis of such application, the property may be released from the lien of the Ground Lease, and that all conditions precedent herein provided for relating to such release have been complied with.

In addition, on or after December 1, 2020 the land relating to (a) the work release center (b) the land for expansion (c) the juvenile court center (d) the energy plant utility vault easement and (e) the energy plant expansion shall be released from the Ground Lease if all Certificates issued prior to October 27, 2005 and any Certificates used to refund such Certificates under the Trust Agreement have been defeased or paid.

In addition, on or after December 1, 2025 the land relating to the new courthouse parking lot improvements and human service center shall be released from the Ground Lease if all Series 2005C Certificates and any Certificates used to refund such Series 2005C Certificates under the Trust Agreement have been defeased or paid.

In addition, on or after December 1, 2027 the land relating to (a) the county administration building and parking and (b) new Minnehaha County court house shall be released from the Ground Lease if all Series 2007 Certificates and any Certificates used to refund such Series 2007 Certificates under the Trust Agreement have been defeased or paid.

In addition, on or after December 1, 2030, the land relating to the public safety building, county jail & parking shall be released from the Ground Lease if all 2011A Certificates and any Certificates used to refund such 2011A Certificates under the Trust Agreement have been defeased or paid.

TAX MATTERS

2011A Certificates

In the opinion of Lindquist & Vennum P.L.L.P., as Bond Counsel, on the basis of laws in effect on the date of issuance of the 2011A Certificates, the interest component of the Lease Payments to be received by the Owners of the 2011A Certificates is not includible in gross income for federal income tax purposes. The interest component of the Lease Payments to be received by the Owners of the 2011A Certificates is includible in gross income for South Dakota tax purposes when the recipient is a financial institution as defined in South Dakota Codified Laws, Chapter 10-43. In rendering its opinion, Bond Counsel will rely on certain covenants and representations on the part of the County concerning the nature and cost of the facilities being financed from proceeds of the 2011A Certificates and the application and investment of proceeds of the 2011A Certificates. Moreover, certain provisions of the Internal Revenue Code of 1986, as amended (the Code), impose continuing requirements that must be met after the issuance of the 2011A Certificates in order for interest thereon to be and remain not includible in federal gross income. Noncompliance with such requirements by the County may cause the interest component of the Lease Payments to be received by the Owners of the 2011A Certificates to be includible in federal gross income, retroactive to the date of issuance of the 2011A Certificates, irrespective in some cases of the date on which such noncompliance occurs or is ascertained. No provision has been made for redemption of the 2011A Certificates or for an increase in the interest rate on the 2011A Certificates in the event that interest on the 2011A Certificates becomes includible in federal gross income.

The interest component of the Lease Payments to be received by the Owners of the 2011A Certificates is not an item of tax preference includible in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to all taxpayers, but is includible in book income or in earnings and profits in determining the alternative minimum taxable income of corporations

for purposes of the federal alternative minimum tax. The interest component of the Lease Payments to be received by the Owners of the 2011A Certificates may be includible in the income of a foreign corporation for purposes of the branch profits tax imposed by Section 884 of the Code and is includible in the net investment income of foreign insurance companies for purposes of Section 842(b) of the Code. In the case of an insurance company subject to the tax imposed by Section 831 of the Code, the amount which otherwise would be taken into account as losses incurred under Section 832(b)(5) of the Code must be reduced by an amount equal to fifteen percent (15%) of the interest component of the Lease Payments to be received by the Owners of the 2011A Certificates that is received or accrued during the taxable year. Section 86 of the Code requires recipients of certain Social Security and railroad retirement benefits to take into account the interest component of the Lease Payments to be received by the Owners of the 2011A Certificates in determining the taxability of such benefits. Passive investment income, including the interest component of the Lease Payments to be received by the Owners of the 2011A Certificates, may be subject to federal income taxation under Section 1375 of the Code for an S corporation that has Subchapter C earnings and profits at the close of the taxable year if more than twenty-five percent (25%) of its gross receipts is passive investment income.

The County will designate a portion of the Lease and the 2011A Certificates as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, and financial institutions described in Section 265(b)(5) of the Code may treat the 2011A Certificates for purposes of Sections 265(b)(2) and 291 (e)(1)(B) of the Code as if they were acquired on August 7, 1986. Noncompliance with certain continuing requirements of the Code referred to above, however, may cause the 2011A Certificates to lose their status as "qualified tax-exempt obligations" retroactive to the date of issuance of the 2011A Certificates.

The foregoing is not intended to be an exhaustive discussion of collateral tax consequences arising from receipt of interest with respect to the 2011A Certificates. Prospective purchasers or owners of the 2011A Certificates should consult their tax advisors with respect to collateral tax consequences, including without limitation the calculations of alternative minimum tax, environmental tax or foreign branch profits tax liability or the inclusion of Social Security or other retirement payments in taxable income.

UNDERWRITER

The Underwriter will purchase the aggregate principal amount of the 2011A Certificates upon their original issuance and delivery at a purchase price of $2,050,100.00 which reflects an underwriter's discount of $24,900.00.

The 2011A Certificates are being offered for sale at the prices set forth on the inside cover page of this Official Statement, which prices may be changed by the Underwriter from time to time without notice. The 2011A Certificates may be offered and sold to dealers for their own account or an account managed by them at prices lower than public offering prices.

RATING

Moody's Investors Service, Inc. has assigned the 2011A Certificates the rating of "Aa1" (negative outlook). Such rating reflects only the view of Moody's Investors Service, Inc., and an explanation of the significance of such ratings may be obtained from Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, telephone (212) 553-0300. There is no assurance that this rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's Investors Service, Inc. if in the judgment of Moody's Investors Service Inc., circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the 2011A Certificates.

CONTINUING DISCLOSURE

Pursuant to Rule 15c2-12, as amended ("Rule 15c2-12"), of the Securities and Exchange Commission (the "SEC"), the County will covenant and agree in a Continuing Disclosure Agreement for the benefit of the registered holders or beneficial owners from time to time of the 2011A Certificates to provide certain financial information and operating data relating to the County by no later than nine (9) months after the end of each fiscal year, commencing on or before September 30, 2012 (the "Annual Financial Information"), and to provide notices of the occurrence of certain enumerated events, if material (the "Disclosure Covenants"). The Annual Financial Information will be filed by or on behalf of the County to the Municipal Securities Rulemaking Board at its Electronic Municipal Market Access System ("EMMA"). Notices of material events will be filed by or on behalf of the County with EMMA. The County's undertaking to provide ongoing disclosure will be substantially in the form set forth in Appendix F – "CONTINUING DISCLOSURE AGREEMENT."

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Continuing Disclosure Agreement. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the 2011A Certificates in the secondary market. Thus, a failure on the part of the County to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the 2011A Certificates and their market price.

CERTAIN LEGAL MATTERS

The validity of the Lease, the 2011A Certificates relating thereto, the tax-exempt status of the interest component of the Lease Payments and certain other matters will be passed upon by Lindquist & Vennum P.L.L.P., Minneapolis, Minnesota. Copies of such opinion will be available at the time of delivery of the 2011A Certificates. Certain legal matters will be passed upon for the County by Gordon Swanson, the Deputy State's Attorney for Minnehaha County.

LITIGATION AND CLAIMS

There is no litigation of any nature now pending or threatened questioning the organization of the County, the right of its present officials to hold their respective offices, or the right, power and authority of the County to enter into the Lease or to levy and collect taxes for its repayment.

ENFORCEABILITY OF OBLIGATIONS

On the closing dates for delivery of the 2011A Certificates to the Underwriter thereof, Lindquist & Vennum P.L.L.P., Minneapolis, Minnesota, Bond Counsel, will deliver its opinion dated the date of such delivery that the 2011A Certificates, the Lease, the Ground Lease and the Trust Agreement are valid and legally binding agreements, enforceable in accordance with their terms, respectively, qualified only to the extent that the enforceability of the 2011A Certificates, the Trust Agreement, the Ground Lease and the Lease may be limited by laws affecting remedies and by bankruptcy or insolvency or other laws affecting creditors' rights generally.

Bond Counsel has not examined nor attempted to examine or verify any information contained in this Official Statement, and will express no opinion with respect thereto.

MISCELLANEOUS

Any statements made in this Official Statement, including Appendix A and Appendix B, involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representations are made that any of the estimates will be realized.

The references herein to the Trust Agreement, the Lease and other documents referred to herein are brief summaries of certain provisions thereof. Such summaries do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

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APPENDIX A - DEFINITIONS

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DEFINITIONS OF CERTAIN INFORMATION

The following are definitions of certain of the words and terms used in this Official Statement.

1992 Certificates means the $9,950,000 Limited Tax General Tax Obligation Certificates, dated September 1, 1992.

1994A Certificates means the $5,630,000 Limited Tax General Tax Obligation Certificates, dated November 1, 1994.

1997A Certificates means the $3,460,000 Limited Tax General Obligation Certificates, dated April 1, 1997.

1999 Certificates means the $8,555,000 Limited Tax General Obligation Certificates, dated April 1, 1999.

2000 Certificates means the $10,000,000 Limited Tax General Obligation Certificates, dated December 1, 2000.

2001 Certificates means the $13,000,000 Limited Tax General Obligation Certificates, dated January 1, 2001.

2004 Certificates means the $13,170,000 Limited Tax General Obligation Certificates, dated November 1, 2004.

2005A Certificates means the $1,700,000 Limited Tax General Obligation Certificates, dated October 15, 2005.

2007 Certificates means the $12,275,000 Limited Tax General Obligation Certificates, dated August 15, 2007.

2007B Certificates means the $2,130,000 Limited Tax General Obligation Certificates dated November 20, 2007.

2008A Certificates means the $4,170,000 Limited Tax General Obligation Certificates dated October 3, 2008.

2010 Certificates means the $3,170,000 Certificates of Participation, Series 2010A and Certificates of Participation, Series 2010B dated the date of issuance.

2010A Certificates means the $2,785,000 Taxable Certificates of Participation, Series 2010A dated the date of issuance.

2010B Certificates means the $385,000 Certificates of Participation, Series 2010B dated the date of issuance.

2011A Certificates means the $2,075,000 Certificates of Participation, Series 2011A dated the date of issuance.

Act of Bankruptcy means any of the following events:

(i) The County shall (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the County or of all or a substantial part of either of their property, (b) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), or (c) file a petition seeking to take advantage of

any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(ii) A proceeding or case shall be commenced, without the application or consent of the County, as the case may be, in any court of competent jurisdiction, seeking (a) the liquidation, reorganization, dissolution, winding-up, or the composition or adjustment of debts, of the County (b) the appointment of a trustee, receiver, custodian, liquidator or the like of the County or of all or any substantial part of the assets of the County, or (c) similar relief in respect of the County under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case has not been dismissed within sixty (60) days of the filing thereof.

Additional Certificates means any additional parity Certificates issued pursuant to the Trust Agreement.

Authorized Officer means, when used with respect to the County, the County Auditor or any other person who is designated in writing by the County Auditor as an Authorized Officer and, when used with respect to the Trustee, means any vice president and/or trust officer who is authorized to take the action in question on behalf of the Trustee.

Authorized Newspapers means a financial paper or a newspaper of general circulation in Sioux Falls, South Dakota.

Certificates means, collectively, the 2011A Certificates, the 2010 Certificates, the 2007B Certificates, the 2007 Certificates, 2005A Certificates, the 2004 Certificates, the 2001 Certificates, the 2000 Certificates, the 1999 Certificates, the 1997A Certificates, the 1994A Certificates and the 1992 Certificates.

Construction Account means the account established under Section 4.2 of the Trust Agreement.

County Board means the governing body of the County.

DTC means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York or any successor securities depository for a series of Certificates appointed pursuant to the Trust Agreement.

DTC Participants means any broker-dealer, bank or other financial institution from time to time for which DTC holds the Certificates of a series as securities depository.

Eighth Amendment to Lease means the Eighth Amendment to Lease-Purchase Agreement, dated as of October 1, 2006, between the County and the Trustee.

Eighth Supplemental Trust means the Eighth Supplemental Declaration of Trust, dated as of October 1, 2006, by the Trustee and joined in by the County.

Eleventh Amendment to Lease means the Eleventh Amendment to Lease-Purchase Agreement, dated as of September 1, 2008, between the County and the Trustee.

Eleventh Supplemental Trust means the Eleventh Supplemental Declaration of Trust, dated as of September 1, 2008, by the Trustee and joined in by the County.

Facilities means the buildings, structures and improvements now or hereafter located on the Land.

Fifth Amendment to Lease means the Fifth Amendment to Lease-Purchase Agreement, dated as of September 1, 2004.

Fifth Supplemental Trust means the Fifth Supplemental Declaration of Trust by the Trustee and joined in by the County, dated as of September 1, 2004.

First Amendment to Ground Lease means the First Amendment to the Ground Lease Agreement, dated as of December 1, 2000, between the County and the Trustee.

First Amendment to Lease means the First Amendment to Lease-Purchase Agreement between the Trustee and the County, dated as of November 1, 1994.

First Supplemental Trust means the First Supplemental Declaration of Trust, by the Trustee and joined in by the County, dated as of November 1, 1994.

Fiscal Year means the twelve-month fiscal period of the County, which commences on January 1 in every year and ends on December 31 of that year.

Fourth Amendment to Lease means the Fourth Amendment to Lease-Purchase Agreement between the Trustee and the County, dated as of December 1, 2000.

Fourth Supplemental Trust means the Fourth Supplemental Declaration of Trust, by the Trustee and joined in by the County, dated as of December 1, 2000.

Ground Lease means the Ground Lease Agreement, dated as of September 1, 1992, between the County and the Trustee, as amended and supplemented.

Interest means the portion of any Lease Payment designated as and comprising interest as described in the Lease.

Interest Payment Date means any of the dates for scheduled payments of Interest, as shown in the Lease.

Land means the land described on Exhibit A to the Ground Lease.

Lease means the Original Lease, as amended and supplemented by the First Amendment to Lease, the Second Amendment to Lease, the Third Amendment to Lease, the Fourth Amendment to Lease, the Fifth Amendment Lease, the Sixth Amendment Lease, the Seventh Amendment to Lease, the Eighth Amendment to Lease, the Ninth Amendment to Lease, the Tenth Amendment to Lease, the Eleventh Amendment to Lease, the Twelfth Amendment to Lease and the Thirteenth Amendment to Lease.

Lease Payment or Lease Payments means the payment due from the County to the Trustee on each Payment Date during the term of the Lease, as shown for the Lease.

Lease Payment Account means the account established under Section 4.3 of the Lease.

Ninth Amendment to Lease means the Ninth Amendment to Lease-Purchase Agreement, dated as of August 1, 2007, between the County and the Trustee.

Ninth Supplemental Trust means the Ninth Supplemental Declaration of Trust, dated as of August 1, 2007, by the Trustee and joined in by the County.

Net Proceeds means any insurance proceeds paid with respect to the Facilities, remaining after payment therefrom of all expenses incurred in the collection thereof.

Operations Agent means U.S. Bank National Association, 60 Livingston Avenue, St. Paul, Minnesota 55107, as operations agent for the Trustee.

Original Lease means the Lease-Purchase Agreement, dated as of September 1, 1992, between the Trustee and the County.

Original Trust Agreement means the Declaration of Trust, dated as of September 1, 1992, by the Trustee and joined in by the County.

Original Purchaser or Underwriter means, with respect to any series of Certificates, the bank, investment banker, bond dealer or other Person who acts as underwriter or otherwise purchases those Certificates from the County; the Original Purchaser of the 2011A Certificates is Dougherty & Company LLC.

Outstanding means when used with reference to a series of Certificates and as of any particular date, means all the Certificates of such series theretofore delivered except: (i) any Certificate canceled or fully paid by the Trustee at or before said date; (ii) any Certificate in lieu of or in substitution for which another Certificate shall have been delivered pursuant to the Trust Agreement; and (iii), for the sole purpose of determining the percentage of the Certificate owners consenting to an amendment to the Trust Agreement or authorizing any action by the Trustee or the exercise of any remedy under the Trust Agreement, any Certificate owned by the County or any of its departments, agencies, institutions, instrumentalities or political subdivisions. For all other purposes Certificates owned by the County or any such entity which are not described in paragraphs (i) and (ii) shall be treated as Outstanding under the Trust Agreement.

Owner or Certificate Owner or any similar term, when used with respect to a series of Certificates, means the registered owner of any Outstanding Certificate.

Payment Date means the date upon which the Lease Payment is due and payable as provided for in the Lease.

Principal means the portion of the Lease Payment designated as principal in the Lease

Principal Balance means for the Certificates as of any date, less the aggregate amount of Principal theretofore paid on the Certificates.

Principal Payment Date means any of the dates for scheduled payments of Principal as shown for the Lease.

Project means the Land and the Facilities for the Lease.

Registrar means U.S. Bank National Association, in St. Paul, Minnesota, or any successor Registrar appointed by the Trustee pursuant to Section 6.6 of the Trust Agreement.

Representation Letter means the Letter of Representation (Book-Entry-Only Municipal Bonds) executed by and between the County, the Original Purchaser and DTC.

Resolution means the resolution adopted by the Board of County Commissioners as they may be amended from time to time.

Second Amendment to Ground Lease means the Second Amendment to the Ground Lease Agreement, dated as of October 1, 2005, between the County and the Trustee.

Second Amendment to Lease means the Second Amendment to Lease-Purchase Agreement, dated as of April 1, 1997, between the County and the Trustee.

Second Supplemental Trust means the Second Supplemental Declaration of Trust, dated as of April 1, 1997, by the Trustee and joined in by the County.

Seventh Amendment to Lease means the Seventh Amendment to Lease-Purchase Agreement, dated as of October 1, 2005, between the County and the Trustee.

Seventh Supplemental Trust means the Seventh Supplemental Declaration of Trust, dated as of October 1, 2005, by the Trustee and joined in by the County.

Sixth Amendment to Lease means the Sixth Amendment to Lease-Purchase Agreement, dated as of October 1, 2005, between the County and the Trustee.

Sixth Supplemental Trust means the Sixth Supplemental Declaration of Trust, dated as of October 1, 2005, by the Trustee and joined in by the County.

State means the State of South Dakota.

State and Federal Laws means the Constitution and any law of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

Tenth Amendment to Lease means the Tenth Amendment to Lease-Purchase Agreement, dated as of October 1, 2007, between the County and the Trustee.

Tenth Supplemental Trust means the Tenth Supplemental Declaration of Trust, dated as of October 1, 2007, by the Trustee and joined by the County.

Term of the Lease or Lease Term the period during which the Lease is in effect as specified in Section 4.1 of the Lease.

Third Amendment to Ground Lease means the Third Amendment to the Ground Lease Agreement, dated as of August 1, 2007, between the County and the Trustee.

Third Amendment to Lease means the Third Amendment to Lease-Purchase Agreement, dated as of April 1, 1999, between the County and the Trustee.

Third Supplemental Trust means the Third Supplemental Declaration of Trust, dated as of April 1, 1999, by the Trustee and joined by the County.

Thirteenth Amendment to Lease means the Thirteenth Amendment to Lease-Purchase Agreement, dated as of September 1, 2011, between the County and the Trustee.

Thirteenth Supplemental Trust means the Thirteenth Supplemental Declaration of Trust, dated as of September 1, 2011, by the Trustee and joined by the County.

Trust Agreement means the Original Trust Agreement, as amended and supplemented by the First Supplemental Trust, the Second Supplemental Trust, the Third Supplemental Trust, the Fourth Supplemental Trust, the Fifth Supplemental Trust, the Sixth Supplemental Trust, the Seventh Supplemental Trust, the Eighth Supplemental Trust, the Ninth Supplemental Trust, the Tenth Supplemental Trust, the Eleventh Supplemental Trust, the Twelfth Supplemental Trust and the Thirteenth Supplemental Trust.

Trustee means U.S. Bank National Association, and its successors and assigns, in its capacity as trustee under a Trust Agreement.

Twelfth Amendment to Lease means the Twelfth Amendment to Lease-Purchase Agreement, dated as of November 1, 2010, between the County and the Trustee.

Twelfth Supplemental Trust means the Twelfth Supplemental Declaration of Trust, dated as of November 1, 2010, by the Trustee and joined by the County.

APPENDIX B –
SUMMARY OF COUNTY INFORMATION

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GENERAL INFORMATION

Minnehaha County (the "County") is located in southeastern South Dakota. Ten cities are located in the County. Sioux Falls, the County seat, is the largest city in South Dakota.

Minnehaha County was organized in 1862 and reorganized in 1869 and is governed by a Board of County Commissioners consisting of five members.

Total land area of the County is approximately 810 square miles. The 2010 population census is 169,468.

The City of Sioux Falls represents 6 percent of the land area in the County, but its 2010 population census of 155,888 (132,793 in Minnehaha County) was 78 percent of the County's total population.

The four largest post-secondary institutions in Minnehaha County are:

Institution	Enrollment
South Dakota Public Universities and Research Center	3,800
Southeast Technical Institute	2,600
Augustana College	1,725
University of Sioux Falls	1,600

Employees and Pension Plans

Minnehaha County employs more than 500 persons. Employees of the County are covered by the South Dakota Retirement System administered by the State of South Dakota. The employees are separated into two categories: Class A (all employees other than public safety employees), who contribute 6 percent of their salary and Class B (the public safety employees), who contribute 8 percent of their salary, all of which is matched by the County. Members' contributions earned interest at a rate of 2.84% for the period July 1, 2006 to June 30, 2007, 4.23% for the period July 1, 2007 to June 30, 2008 and at a rate of 3.92% for the period July 1, 2008 to June 30, 2009. Such contributions and credited interest are 100 percent vested and may be withdrawn upon termination of employment. The County's total cost of the plan for the year ended December 31, 2010 was $1,632,256.36.

Minnehaha County has two bargaining groups representing a portion of its employees. The Deputies' Association represents 182 law enforcement employees, and AFSCME Local No. 2561 represents 21 highway construction workers.

Governmental Organization and Services

The County is governed by a 5-member board of Commissioners, all of whom are elected at large to overlapping 4-year terms of office. The current County board consists of the following individuals:

Name	Title	Expiration of Term
John Pekas	Chairman	December 31, 2012
Cindy Helberger	Commissioner	December 31, 2012
Gerald Beninga	Commissioner	December 31, 2014
Dick Kelly	Commissioner	December 31, 2012
Jeff Barth	Commissioner	December 31, 2014
Bob Litz	Auditor	March, 2015
Aaron McGowan	States Attorney	December 31, 2012
Pam Nelson	Treasurer	December 31, 2012
Kenneth E. McFarland, Jr.	Commission Administrative Officer	Appointed

VALUATIONS

The County Director of Equalization compiles an assessed value of all real property subject to taxation each year. The Assessment date for property is January 1. However, all property is to be assessed at its full and true market value as of the November 1 immediately preceding the assessment year. For example, the 2010 assessment for taxes payable in 2011 is the assessed value as of November 1, 2009. South Dakota Codified Laws, Section 10-13-37, provides that property taxes shall be levied on valuations where the median level of assessment represents 85 percent of the market value as determined by the State Department of Revenue. The value so determined is referred to in this Official Statement as the "taxable value."

A levy of "dollars per thousand" is applied to the taxable value, in order to satisfy the budgets of each taxing entity.

DISCRETIONARY PROPERTY TAX REDUCTION AND TAX INCREMENT

State law provides for a tax break for new and/or improved commercial and industrial businesses. A discretionary property tax reduction formula is applied to construction completed by the assessment date of November 1. Each taxing entity has the option of implementing this formula to promote new businesses; the tax break is for five years. The percentage applied to the assessed value is determined by the taxing entity.

In addition to the discretionary property tax reduction formula described above, municipalities and counties may also create tax increment districts. At the time an increment district is certified, there is an assessed value within its boundary. This valuation is the base value and the county can collect taxes only on the amount of the base value. The additional valuation has the same levy applied but the dollars collected are segregated to pay costs of public improvements within the increment district, including the retirement of tax incremental revenue bonds. There are six increment districts in the County, three in the City of Brandon and three in the City of Sioux Falls. The property included in these tax increment districts has a 2010 assessed valuation of approximately $23,302,690.

Table I
Minnehaha County 2010 Taxable Valuations

Outside Corporate Limits	
Agricultural	$ 569,095,800
Non-Agricultural – Z	0
Non-Agricultural – Owner Occupied	920,810,774
Non-Agricultural – Other	189,550,013
Within Corporate Limits	
Agricultural	17,451,241
Non-Agricultural – Z	0
Non-Agricultural – Owner Occupied	5,042,246,259
Non-Agricultural – Other	3,761,623,756
Total Taxable Value of Real Property	$10,500,777,843
Total Valuation of Centrally Assessed Properties	
Railroad	4,254,137
Utilities	179,033,207
Telephone – within corporate limits	16,858,929
Total – All Property	$10,700,924,116

Table II
Historical Assessed Value of Real Property
(Full and True Value)

Year	Assessed Value
2010	$11,875,206,771
2009	11,871,780,044
2008	11,498,209,304
2007	11,062,550,552
2006	10,224,880,090
2005	9,297,483,530
2004	8,795,638,856

Table III
County Levies

(Dollars per $1,000 of Taxable Valuation)

	2011	2010	2009	2008	2007
General Fund Levy (SDCL 10-12-21)	$2.501	$2.480	$2.399	$2.415	$2.438
Building Fund Levy (SDCL 7-25-1)	0.328	0.330	0.341	0.343	0.348
Bond Redemption Levy (SDCL 7-24-18)	0.090	0.094	0.098	0.104	

Table IV
Tax Collections

Fiscal Year	Amount Levied	First Year Collections Amount	First Year Collections Percent	Total Collections[1] Amount	Total Collections[1] Percent
2010	$30,781,744	$30,145,358	97.83%	$30,769,915	99.90%
2009	29,330,789	28,711,606	97.89	29,186,025	99.50
2008	27,916,163	27,399,431	98.15	27,747,205	99.40
2007	25,449,717	25,057,958	98.46	25,337,380	99.60
2006	22,468,138	22,138,210	98.53	22,407,619	99.70
2005	21,003,241	20,743,811	98.76	20,945,123	99.70
2004	20,049,967	19,867,435	99.09	20,165,316	100.60
2003	19,041,668	18,809,704	98.78	19,223,239	100.90

[1] As of December 31, 2010

Table V
Indirect Debt Payable from Ad Valorem Taxes

	Debt Outstanding	Applicable to County	Total Amount
School Districts:			
Baltic	$ 5,165,000	100.00%	$ 5,165,000
Brandon Valley	28,180,000	100.00	28,180,000
Dell Rapids	18,577,244	81.94	15,222,194
Garretson	5,270,000	100.00	5,270,000
Sioux Falls	85,685,000	86.90	74,460,265
Tri-Valley	4,410,000	100.00	4,410,000
West Central	29,780,000	98.07	29,205,246
Municipalities:			
Baltic	0	100.00%	0
Brandon	0	100.00	0
Colton	0	100.00	0
Crooks	0	100.00	0
Dell Rapids	0	100.00	0
Garretson	0	100.00	0
Hartford	0	100.00	0
Humboldt	25,774	100.00	25,774
Sioux Falls	0	80.23	0
Valley Springs	0	100.00	0
Total Indirect Debt			$161,938,479

Table VI
Principal Taxpayers - January 2011
(Unaudited)

Taxpayer	Business	2011 Assessed Valuation
SDG Macerich Properties LP	Empire Mall and East Mall	$118,172,120
Sanford Medical Center	Medical	94,263,361
Dunham Properties	Real Estate	75,738,700
Presentation Sisters (McKennan)	Medical	58,947,493
Lloyd Properties	Real Estate	48,397,892
Wells Fargo	Banking	38,610,097
123 Sioux Falls LLC	Citibank	35,200,582
Wal-Mart (Wal-Mart & Sam's)	Retail	34,883,753
William Hinks	Western Mall	26,541,670
Menards	Building Centers	25,335,234

Debt Limit

The total indebtedness of the County may not exceed 5 percent of the actual assessed value of property within the County.

	As of December 31, 2010
Assessed Value	$11,875,206,771
	x .05
Maximum	593,760,339
Less: Debt Outstanding	38,778,672
Available Margin	$554,971,667

Table VII
Debt Ratios

	Amount	Per Capita[1]	Percentage of Assessed Value
Direct General Obligation Debt (including the Lease)	$ 38,778,672	$ 228.83	0.33%
Indirect Debt Payable from Ad Valorem Taxes	161,938,479	955.57	1.36
Total	$200,717,151	$1,184.40	1.69%

[1] Based on 2010 census population of 169,468

FINANCIAL STATEMENTS

The County is required by South Dakota law to be audited every other year. Attached hereto as APPENDIX C are the County's audited financial statements for the year ended December 31, 2009.

TABLE VIII
CASH ON HAND
(As of December 31, 2010)

Funds	
General Fund	$ 7,073,061.29
Total	$ 7,073,061.29
Special Revenue Funds	
Pass-Thru Grants	$ (5,541.89)
JAG Grants	(24,882.00)
Communications (E-911)	-
Highway Fund	6,298,570.37
Fire Protection Fund	132,869.20
Public Library Fund	420,921.71
Museum Store	40,719.80
Emergency Management	71,368.68
EFSP Fund	13.91
Museum Enterprise	126,683.54
Domestic Abuse Fund	12,330.00
24/7 Sobriety Fund	237,923.97
Building Fund	624,746.55
Coliseum Restoration Fund	-
Total	$ 7,935,723.84
Capital Projects Fund	
Capital Projects	-
Cash with Trustee	$ 3,051,726.40
Total	$ 3,051,726.40
Debt Service Fund	
Bond Redemption Fund	$ 333,703.51
Total	$ 333,703.51
Internal Services Funds	
Health/Life Insurance	$ 2,943,309.61
Total	$ 2,943,309.61
Total Cash	$21,337,524.65

Future Financing

No additional financings are planned in 2010.

Table IX
Labor Statistics
(Average Annual)

Year	Minnehaha County Civilian Labor Force	Unemployment Rate Minnehaha County	Unemployment Rate State of South Dakota
2010	99,992	4.7%	4.9%
2009	101,665	4.8	4.8
2008	100,835	2.8	3.0
2007	98,910	2.5	3.0
2006	94,655	2.8	3.2
2005	94,510	3.5	3.9
2004	93,010	3.6	3.8
2003	91,715	3.2	3.6
2002	90,830	2.9	3.3
2001	89,890	2.5	3.1
2000	88,970	2.1	2.7

Source: South Dakota Labor Market Information Center

Table X
Non-Agricultural Employment by Category*

Category	December 2010	% of Total
Natural Resources, Mining and Construction	6,000	4.5%
Manufacturing	12,100	9.0
Wholesale Trade	6,700	5.0
Retail Trade	17,400	13.0
Transportation, Warehousing and Utilities	4,900	3.7
Information	2,900	2.2
Financial Activities	14,900	11.1
Professional and Business Services	11,300	8.5
Educational and Health Services	27,200	20.3
Leisure and Hospitality	12,500	9.3
Other Services (except Public Administration)	4,800	3.6
Government	13,100	9.8
Total	133,800	100.0%

* Source: South Dakota Labor Bulletin, January 2011 for the Sioux Falls Standard Metropolitan Statistical Area

Table XI
Major Employers

Firm	Employees
Non-government:	
Sanford Health	7,643
Avera Health	5,552
John Morrell & Company	3,300
Wells Fargo Financial Bank	3,079
CitiGroup	2,700
Hy-Vee Food Stores	2,440
Evangelical Lutheran Good Samaritan Society	1,323
Wal-Mart / Sam's Club	1,170
First PREMIER Bank / PREMIER Bankcard	1,056
Raven Industries / Aerostar International Inc.	859
Midcontinent Communications	816
CIGNA Tel Drug	725
Government:	
Sioux Falls School District	3,000
City of Sioux Falls	1,096
Veteran's Hospital	1,036

AREA GROWTH AND DEVELOPMENT

All of the information contained in this section on Area Growth and Development has been obtained from the Sioux Falls Development Foundation.

Table XII
2010 Sioux Falls Economic Development at a Glance
(January - October)

Total value of new construction	$248,005,205
Number of building permits	6,779
Capital investment	$116,400,000

The following new industrial, office, retail medical and public development projects were proposed, undertaken or completed through October, 2010 in the City of Sioux Falls and its environs:

Industrial and Warehouse Development:

Aerostar, a division of Raven Industries, is expanding its research and development operations for tethered aerostats with a $2 million, 12,000 square foot hangar and office complex.

Sioux Empire Development Park III East is home to a new facility for American Tire Distributors. The 90,000 square foot warehouse/office facility was recently completed; representing a total investment around $4 million.

Bell Inc., a manufacturer of folding cartons, invested in a new printing press and related equipment. The $10 million price tag included construction costs in accommodating the new equipment. With the addition of the press, Bell planned to increase employment by 22.

Ruedebusch Development, based out of Madison, Wisconsin, purchased nearly seven acres in Sioux Empire Development Park VIII for a new 50,000 square foot warehouse and distribution center for FedEx. The facility was completed earlier this year.

Inland Truck Parts and Service is consolidating operations with a 24,000 square foot facility near Cliff Avenue and I-90. The new $1.4 million facility will be operational after the first of the year.

Mid State Utility Trailer Sales & Transport Refrigeration of South Dakota moved into new building near I-90 and Cliff Avenue. The company outgrew their old location on Westport Avenue. The new facility provides space for a large parts warehouse and ten service bays.

A 25,000 square foot operations facility is under construction near 60th Street North and La Mesa Drive to house a second operations center for SDN Communications. The $10+ million facility, located on a 60-acre site, is expandable to 100,000 square feet. Ten new jobs will be created in the next few years.

As demand for cabinets has grown, StarMark Cabinetry increased their labor force creating 47 new jobs.

Sturdevant's Auto Supply is expanding their footprint in the Meadows on the River development. The 60,000 square foot expansion is under construction adjacent to their 100,000 square foot facility between Shirley and Carolyn Avenues.

Traco Medical moved to a new facility, nearly four times its previous size, at 4001 West Tickman Street in northwestern Sioux Falls. The medical equipment dealership's new distribution center encompasses 25,000 square feet.

Work was completed earlier this year on the new 50,000 square foot Variety Foods warehouse and distribution center on 5.5 acres in Sioux Empire Development Park VIII. The new facility triples Variety's storage capacity.

Wheelco Truck & Trailer Parts is in the midst of a multi-million dollar two-phase project. An 18,000 square foot repair addition will include a 12-bay service center and is nearing completion. Phase two is scheduled for completion in April and will consist of a complete renovation of their existing building.

Office, Commercial and Medical Developments:

Advana Mortgage opened in 7,500 square feet of the former Howalt McDowell facility. The Rapid City-based company expects to employ 30 within the next two years.

Grand opening ceremonies were recently held for the new $90 million Prairie Center on the Avera campus. The Center includes the Avera Cancer Institute and the Avera Surgery Center. The 217,000 square foot facility is staffed by 165 medical and support personnel and houses four medical practices: Avera Hematology & Transplant, Avera Medical Oncology & Hematology, Avera Women's Center for Gynecologic Cancer, and Avera Radiation Oncology/MedXray Center as well as the outpatient surgical center with 8 operating rooms, 27 pre-op rooms, and 13 recovery rooms. Avera also leased three floors of the former Midland National building in downtown Sioux Falls to house their information technology department.

Beds by Design, a Fargo based retailer/manufacturer of mattresses, opened for business in August in the Meadows on the River development.

The national retailer Big Lots will operate a 28,000 square foot store on Louise Avenue in the Meadows on the River development.

Billion Auto renovated the former CarVantage building on West 12th Street to house their Nissan dealership. The new facility has ten service bays.

CBM Managed Services/Marlin's Family Restaurants purchased the former Sioux Printing building in Sioux Empire Development Park I to house their corporate headquarters. The 40,000 square foot facility is undergoing renovation and should be completed before the end of the year.

A new "green" office complex at the former Schoeneman's site on 8th Street, will become home to CNA Surety, with room for additional tenants. Demolition work started this fall. The $25 million, 130,000 square foot facility has a projected completion date of June, 2012.

A $14.9 million contract with the Department of Commerce will create 60 new jobs at CSD. The project will help improve technology use for an estimated 200,000 deaf and hard of hearing individuals across the U.S.

The southeast corner of 26th Street and Highway 11 is home to a new branch of First Dakota National Bank. The 7,500 square foot bank opened earlier this year.

HOM Furniture purchased the former Sportsman's Warehouse facility, tripling their space to display furniture. They are literally raising the roof to provide room for a 35,000 square foot second story. The new store is expected to open in February.

Remodeling has taken place at the former Sunshine Food Store located at 57th Street and Cliff Avenue and is underway at West 10th Street and Kiwanis Avenue. The two stores were purchased by Hy-Vee this fall. In addition, the Sycamore Hy-Vee store will undergo a $10 million, 20,000 square foot expansion and renovation.

Insight Credit Solutions opened a financial services company specializing in prepaid credit cards. The company started with 7 employees and plans to add a call center, growing up to 45 employees.

Plastic Surgery Associates and Nicholson & Nicholson will share a new 20,000 square foot facility under construction near I-229 and Minnesota Avenue. The facility should be ready for occupancy spring 2011.

Sanford Health purchased and renovated the former 300,000 square foot Hutchinson Technology facility in Sioux Empire Development Park V, allowing them to accelerate research activities and relocate corporate offices; investing $18 million. Construction continues on the five-story 205,000 square foot Sanford Heart Hospital located adjacent to the main hospital at 18th and Grange. The 58-bed hospital represents a $90 million investment in terms of construction and equipment.

A $1.5 million construction project is underway for Select Specialty Hospital which leases space on two floors from Avera McKennan Hospital. The project includes converting patient rooms from semiprivate to private as well as other improvements. Work began in October and is scheduled to wrap up next spring.

The 70-acre retail development, The Shoppes at Dawley Farm Village, is home to the area's newest theater. A 12-screen Cinemark Century Theatre opened in late June, employing 45. Development plans for the area include a new 93,000 square foot Kohl's store currently under construction, and a 22,000 square foot retail center.

5700 East Arrowhead is home to a new 3,700 square foot branch of Sioux Falls Federal Credit Union. The credit union's fourth branch opened in May with six employees.

Construction was completed earlier this year on the new 16,000 square foot South Dakota Lions Eye Bank. The $3.4 million facility was constructed on land in Sioux Empire Development Park VII and will help meet the increasing demand for eye and tissue transplants.

Sunshine Food Stores expanded their downtown store by 6,000 square feet. In addition to the increased square footage, a general remodel took place and various departments were expanded.

Vern Eide Motorcars completely remodeled their facility at 4030 South Grange Avenue to house an Acura dealership. The former Lady Wellness facility near 57th and Louise Avenue will house corporate and accounting offices.

Quality of Life Developments:

American Airlines - Non-stop Service to Chicago and Dallas/Fort Worth

Children's Home Society - $5.6 million remodel/addition to Loving School and renovation/addition to Van Demark Building

City of Sioux Falls - $11.5 million Main Library expansion/renovation; Downtown Greenway improvements between 6th & 8th Streets; Falls to Lien Park Bike Trail extension

Excel Achievement Middle School Academy – Secular non-profit Academy opened, room for 25 students

Evangelical Lutheran Good Samaritan Society - 32-unit Hearthstone Assisted Living Center

Great Plains Zoo - $3.5 million Black Rhino exhibit

I-90 & Marion Road Interchange - $8.3 million infrastructure investment

Lewis & Clark - $5 million investment; a 3 million gallon tank at 85th Street and two 7.5 million gallon, above ground storage reservoirs near Tea

Lutheran High School in Sioux Falls – secondary education program for 9th and 10th grade students

Mary Jo Wegner Arboretum & East Sioux Falls Historical Site - 115-acre, $3.5 million investment

Mount Marty University - Purchased and moved to a 23,500 square foot facility on 41st Street

National American University - 22,000 square foot facility

Sanford Sports Complex - Eight football fields for South Dakota Junior Football Program

SculptureWalk - Outdoor sculpture exhibit located along the sidewalks in Downtown Sioux Falls

Sioux Empire Baseball Association - $450,000 renovation/grandstand addition to Harmodon Park Baseball Complex

Sioux Falls Catholic School System - $6 million, 1,000 seat Performing Arts Center

Sioux Empire Housing Partnership - Governor's Home project at Hayward Meadows

Sioux Falls Ministry Center - Renovate former Stewart Building to house outreach ministries and day care

Sioux Falls Public Schools - $14.9 million Career & Technical Education Academy; New Technology High School

Sioux Falls Regional Airport - $5.8 Million, 23,000 square foot addition to the ticketing area, remodel of current area

Southeast Technical Institute - $3 million Student Success Center

St. Francis House - $600,000 transitional housing fourplex, 6,570 square feet

State Theatre - $200,000 grant from the "Saving America's Treasures" Program to remodel/restore lobby

Volunteers of America Dakotas-Child & Family Service Center - $2.2 million, 12,000 square foot facility

University Center - $10.5 million classroom facility, 48,500 square feet

Other Developments

Amedisys Home Health (69th & Minnesota Avenue), Big Cheese Pizza & Sports Bar (Benson Road), Bros Brasserie Americano (Downtown), Buffalo Wild Wings (Meadows on the River), Burger King (57th & Cliff), Chedd's Gourmet Grilled Cheese (Downtown), Chivilla Bay (Bridges at 57th), Conlin's Furniture reopening (41st Street), Cutie Pie (Downtown), The Empress Group (Downtown), Erbert & Gerbert's Subs & Clubs (Louise Avenue), Everything's Granite (Downtown), Extreme Automotive (49th & Louise), Hogue Vein Institute (Louise Avenue), Holiday Inn renovation (Downtown), Inca's Express (Marion Road), Interstate All Battery Center (West 12th Street), Lillians (Downtown), Mark Luke Construction LLC (North Cliff), Mathison's Express Press Graphics (Minnesota Avenue), Minuteman Press (Marion Road), Mixed-Go Green (Louise Avenue), Munchies (Minnesota Avenue), Norberg Paints (41st Street), Oh MyCupcakes! (Downtown), Planet Fitness (41st Street), Pomegranate Market (Beakon Centre), Roberts Caskets (West 18th Street), Sertoma Laundry (Sertoma Avenue), Snap Fitness (Marion Road), Sprint (Sycamore Avenue), Taco Bell (Minnesota Avenue), Target remodel (Louise Avenue), The 18th Amendment (41st Street), The Gathering Place (Spring Avenue), The Vault (Meadows on the River), Truks-N-Trykes 2 (MacArthur Lane), Wolfie's Liquor Spot (Louise Avenue), Xcite Family Fun Center (Shirley Avenue), and Zing (Downtown).

Rural Highlights:

Work is wrapping up on a 60,000 square foot manufacturing/warehouse expansion at Pace Manufacturing in the Brandon Industrial Park. With an additional 10,000 square foot office expansion, Pace consolidated operations into one facility. The company added 15 employees in 2010 with plans for 10 to 15 more in 2011.

A Fairmont, Minnesota-based distributor of agricultural chemicals purchased three acres in the Brandon Industrial Park. Rosen's is building a $1 million, 25,000 square foot warehouse in the northwest corner of the park with completion scheduled for early 2011.

Tower Tech Systems, a subsidiary of Broadwind Energy, completed their 148,000 square foot wind tower manufacturing facility on 41 acres in the Corson Development Park. Building and equipment represent over $20 million in capital investment. Tentative plans are to open the facility, that will employ 150, in 2011.

South Dakota Technology Business Center

Dahle Communications Group, Dental Technology Group, El Diario News, KH Resources, Logical Energy Solutions, Maximizing Excellence, SpectraCal Sales and Wimpy Analytics all became clients of the South Dakota Technology Business Center within the last 12 months. Dental Technology Group has expanded to Sioux Falls from Minnesota and provides computer sales, support and services exclusively to the dental community. SpectraCal Sales, launched in the spring of 2010, offers training and tools for production and support of the imaging community, including custom AV, medical imaging, broadcast, display manufacturing, and post production.

CFgear.com is the latest company to graduate from the Center. The company's new 12th Street location will house its six employees and CFgear.com will continue to provide premium and customized USB flash drive products and solutions.

In 2010 the Center focused on expanding services and benefits to its clients. This included launching four new Mentor Boards, creating the Next Step cubicle program, hosting the five-day N2TEC business accelerator, organizing six I.N. After Hours networking events and holding several I.N. The Know Series educational programs. The Center also launched a new partnership program that currently provides its clients: discounted PayStubz payroll services, reduced cost hosting at CoSentry and introductory membership rates for the SD Biotech Association. Finally, SDTBC completed a $70,000 upgrade to its conference rooms. These rooms now feature SMART interactive white boards, I.P. based video conferencing, integrated audio conferencing and video projection, all of which are free to the Center's clients.

SDTBC STATISTICS

Years in Operation: 7 Years
Current Tenants: 12 Companies, 3 Next Step Clients, 6 Virtual Office Participants, 9 Service Providers
Jobs Created: 339 full-time
Average Tenant Employee Salary: $70,000
Total Combined Annual Gross Sales: $100 million
Equity/Grant Funding Secured by Companies: $44 million
Patents Awarded to Tenant Companies: 11
Patent Applications Pending for Companies: 26

Table XIII
Assets of Sioux Falls Financial Institutions

Year	Bank Assets
2010	$1,267,556,589,000
2009	711,042,490,000
2008	636,397,715,000
2007	557,003,342,000
2006	487,176,778,000
2005	460,233,813,000

Table XIV
City of Sioux Falls Plus Minnehaha County Building Permits

Year	Number of Permits	Residential Value	Commercial / Industrial Value	Agricultural	Total
2010	8,023	$160,198,400	$142,307,000	$3,500,800	$306,006,200
2009	6,727	175,160,200	146,245,100	2,458,300	323,863,600
2008	6,465	216,809,300	264,734,500	3,296,000	484,839,800
2007	6,862	240,174,200	312,808,800	3,794,200	556,777,200
2006	6,884	233,973,200	227,386,000	3,752,600	465,111,800
2005	7,154	225,735,800	257,678,600	1,705,200	485,119,600
2004	7,406	233,360,900	185,863,700	1,849,600	421,074,200
2003	7,247	218,209,700	152,233,800	1,249,600	371,693,100
2002	8,174	182,189,200	116,530,600	1,347,800	300,067,600
2001	8,144	193,524,600	140,629,300	1,260,800	335,414,700
2000	6,420	220,368,500	162,573,200	977,500	383,919,200

APPENDIX C –
2009 AUDITED FINANCIALS

AUDITED FINANCIAL STATEMENTS OF THE COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2009

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MINNEHAHA COUNTY

AUDIT REPORT

For the Year Ended December 31, 2009

MINNEHAHA COUNTY
COUNTY OFFICIALS
December 31, 2009

Board of Commissioners:
John Pekas, Chairman
Anne Hajek
Jeff Barth
Carol Twedt
Dick Kelly

Auditor:
Sue Roust

Treasurer:
Pam Nelson

State's Attorney:
Aaron McGowan

Register of Deeds:
Julie Risty

Sheriff:
Mike Milstead

MINNEHAHA COUNTY
TABLE OF CONTENTS

427 SOUTH CHAPELLE
C/O 500 EAST CAPITOL
PIERRE SD 57501-5070
(605)773-3595
FAX (605)773-6454

MARTIN L. GUINDON, CPA
AUDITOR GENERAL

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

County Commission
Minnehaha County
Sioux Falls, South Dakota

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minnehaha County, South Dakota (County), as of December 31, 2009 and for the year then ended which collectively comprise the County's basic financial statements and have issued our report thereon dated June 22, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with

those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate communication dated June 22, 2010.

This report is intended solely for the information and use of federal awarding agencies and pass-through entities, the South Dakota Legislature, state granting agencies, and the governing board and management of Minnehaha County, South Dakota and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11 and OMB Circular A-133 §__.320, this report is matter of public record and its distribution is not limited.

Martin L. Guindon, CPA
Auditor General

June 22, 2010

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

County Commission
Minnehaha County
Sioux Falls, South Dakota

Compliance

We have audited the compliance of Minnehaha County, South Dakota (County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Current Audit Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Minnehaha County, South Dakota complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of federal awarding agencies and pass-through entities, the South Dakota Legislature, state granting agencies, the governing board and management of Minnehaha County, South Dakota and is not intended to be and should not be used by anyone other than these specified parties. However, as required by South Dakota Codified Law 4-11-11 and OMB Circular A-133 §__.320, this report is matter of public record and its distribution is not limited.

Martin L. Guindon, CPA
Auditor General

June 22, 2010

MINNEHAHA COUNTY
SCHEDULE OF PRIOR AND CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

Prior Federal Audit Findings:

The prior audit report contained no federal audit findings.

Prior Other Audit Finding:

Finding No. 2008-01:

The Register of Deeds did not reconcile the daily fee collections to the daily deposit resulting in diminished assurance that transactions were properly executed and recorded and assets were properly safeguarded. This finding has been resolved.

SCHEDULE OF CURRENT AUDIT FINDINGS AND QUESTIONED COSTS

Summary of the Independent Auditor's Results:

Financial Statements

a. An unqualified opinion was issued on the financial statements of each opinion unit.

b. No material weaknesses or significant deficiencies were disclosed by our audit of the financial statements.

c. Our audit did not disclose any noncompliance which was material to the financial statements.

Federal Awards

d. An unqualified opinion was issued on compliance with the requirements applicable to major programs.

e. Our audit did not disclose any audit findings that need to be disclosed in accordance with the Office of Management and Budget Circular A-133, Section .510(a).

f. The federal awards tested as major programs were:

1. Public Safety Interoperable Communications Grant Program	CFDA # 11.555
2. Community Development Block Grant / State's Program and Non Entitlement Grants to Hawaii	CFDA # 14.228
3. Juvenile Mentoring Program	CFDA # 16.726

g. The dollar threshold used to distinguish between Type A and Type B federal award programs was $300,000.

h. Minnehaha County did qualify as a low-risk auditee.

Current Federal Audit Findings:

There are no written current federal compliance audit findings to report.

Current Other Audit Findings:

There are no written current other audit findings to report.

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MARTIN L. GUINDON, CPA
AUDITOR GENERAL

INDEPENDENT AUDITOR'S REPORT

County Commission
Minnehaha County
Sioux Falls, South Dakota

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Minnehaha County, South Dakota, (County) as of December 31, 2009 and for the year then ended, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Minnehaha County, South Dakota as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2010 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (MD&A) and Budgetary Comparison Schedules on pages 8 through 14, and 46 through 49 are not a required part of the basic financial statements but are

supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards, which is required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the Combining Nonmajor Governmental Fund Financial Statements listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Martin L. Guindon, CPA
Auditor General

June 22, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Minnehaha County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended on December 31, 2009. Please read it in conjunction with the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- General Fund revenues exceeded budget by $1.2 million in 2009, while expenditures were less than the original budget by $1.5 million. The most significant deviation in revenues was receipt of a $2 million bank franchise tax payment. The projected bank franchise tax in the 2009 budget was $1,000,000, a number based on historical patterns. Prisoner care revenue exceeded budget by $600,000, while investment income fell $500,000 short of the budgeted amount.
- The County completed the addition of two floors to the Courthouse, which was originally built in 1993-94 with the intention of adding a 5th and 6th floor when needed. In capital asset reporting, Construction in Progress decreased by $10.7 million and Buildings increased by $11.6 million in 2009, primarily due to completion of this project.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.
  - The governmental funds statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.
  - Fiduciary fund statements provide information about the financial relationships in which the County acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to the required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds, each of which are added together and presented in a single column in the basic financial statements.

Figure A summarizes the major features of the County's financial statements, including the portion of the County government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A

Major Features of Minnehaha County's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements: Governmental Funds	Fund Statements: Proprietary Funds	Fiduciary Funds
Scope	[illegible]	The activities of the County that are [illegible]	[illegible]	[illegible]
Required Financial Statements	*Statement of Net Assets *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Balance Sheet *Statement of Revenues, Expenses and Changes in Fund Net Assets *Statement of Cash Flows	*Statement of Fiduciary Net Assets
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, No capital assets included	All assets and liabilities, both financial and capital, and short and long-term	All assets and liabilities, both short-term and long-term, the County's funds do not currently contain capital assets
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Government-wide Statements

The government-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the County's net assets and how they have changed. Net assets – the difference between the County's assets and liabilities – is one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional nonfinancial factors such as changes in the County's property tax base and the conditions of the County's roads.

The government-wide financial statements of the County are reported in one category – Governmental Activities. This category includes the County's basic services, such as general government services (auditor, treasurer, etc.), public safety, public works, health and welfare services, culture and recreation services, conservation and natural resource services, and urban and economic development programs. Property taxes, state shared revenues, federal grants and interest earnings finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's most significant funds – not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes.

- State Law requires some of the funds.
- The County Commission establishes other funds to control and manage money for particular purposes (such as the Capital Projects Fund, which is used to account for major building projects).

The County has three kinds of funds:

- Governmental Funds – The County's basic services are included in the governmental funds, which focus on (1) how cash, and other financial assets that can readily converted to cash, flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.
- Proprietary Funds – Services for which Minnehaha County charges participants a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. Minnehaha County has an internal service fund (one type of proprietary fund) to report the activities related to providing self-insurance for health coverage to the employees.
- Fiduciary Funds – The County is the trustee, or fiduciary, for various external and internal parties. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets

The County's combined net assets increased by $157,401 or 0.22%, from 2008 to 2009.

Table A-1
MINNEHAHA COUNTY
Statement of Net Assets

	Governmental Activities 2008	Governmental Activities 2009
Current and Other Assets	$ 25,711,578	$ 23,466,967
Capital Assets, Net of Depreciation	90,526,629	89,468,434
Total Assets	116,238,208	112,935,401
Long-term Debt Outstanding	38,869,239	35,950,637
Other Liabilities	6,161,090	6,247,055
Total Liabilities	45,030,329	42,197,692
Net Assets:		
Investment in Capital Assets Net of Related Debt	50,314,037	52,030,887
Restricted	11,458,685	10,939,866
Unrestricted	9,435,157	7,767,075
Total Net Assets	$ 71,207,879	$ 70,737,808
Beginning Net Assets (adj)	70,008,777	70,580,407
Increase in Net Assets	1,199,102	157,401
% Increase in Net Assets for 2009	1.82%	0.22%

The Statement of Net Assets reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. Minnehaha County's primary long-term liability is $36.7 million in bonds (certificates of participation in a lease-purchase agreement) borrowed in 2000 through 2008 to finance building of the new Courthouse and Jail and remodeling of the Public Safety Building, Juvenile Detention Center, County Administration Building, Community Corrections Center, Annex, and Rec Center. Long-term liabilities also include compensated absences (vacation, sick, and compensatory leave) due to employees. The difference between the county's assets and liabilities is its net assets.

The County's net assets reflect its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Investment in capital assets net of related debt increased by $1.7 million during 2009.

The County's restricted net assets represent resources that are subject to external restrictions on how they may be used. These restrictions are normally set by state statute, federal regulations or debt covenants. The remaining balance of net assets is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.

Table A-2
MINNEHAHA COUNTY
Change in Net Assets

	Total Governmental Activities 2008	Total Governmental Activities 2009
Revenues		
Program Revenues:		
Charges for Services	$ 11,260,272	$ 10,738,741
Operating Grants and Contributions	9,921,135	11,167,378
Capital Grants and Contributions	196,978	158,268
General Revenues:		
Taxes	34,294,473	35,830,623
State Shared Revenues	3,414,251	3,345,240
Unrestricted Investment Earnings	975,790	554,292
Miscellaneous	282,383	1,211
Total Revenues	60,347,282	61,795,739
Expenses		
General Government	14,547,358	16,779,311
Public Safety	25,810,113	26,400,853
Public Works	7,565,149	7,793,944
Health and Welfare	5,148,108	5,028,433
Culture and Recreation	2,493,586	2,823,519
Conservation of Natural Resources	176,574	189,758
Urban and Economic Development	542,346	575,184
Interest on Long-term Debt	2,086,551	1,924,418
Depreciation – Unallocated	65,800	124,928
Total Expenses	58,865,685	61,638,338
Excess of Revenues over Expenses Before Special Item	1,851,697	157,401
Special Item - Loss on Transfer / Disposition of Assets	(742,595)	
Increase in Net Assets	$ 1,199,102	$ 157,401

The County's total 2009 revenues were $61,795,739. 58% of the County's revenue was from property and other taxes, 18% from grants and contributions, and 17% from charges for services.

Revenues for the County's governmental activities increased 2.3% from 2008 to 2009. Total expenses increased by 5.3%.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

There was a net decrease in the balance of the County's funds of $2,108,628 in 2009. The General Fund decreased by $1,509,141, the Road and Bridge Fund increased by $20,801.

The County made the following operating transfers between the governmental funds:

	Operating Transfers In	Operating Transfers Out
General Fund	$ 111,206	$ 1,072,857
Road and Bridge Fund		111,179
Other Governmental Funds	1,376,023	303,192
Total Operating Transfers	$ 1,487,229	$ 1,487,229

BUDGETARY HIGHLIGHTS

Over the course of the year, the County Commission revised the General Fund budget several times. Significant supplements included:

- Supplemental appropriations of $51,750, and transfers of $20,760 from the Contingency budget, to pay for unanticipated, yet necessary, expenses to provide for items necessary for health and welfare of county citizens.
- Carryover supplements of $346,508.96 to finance goods and services contracted for in 2008 and funded by the 2008 budget, for which bills were not received until 2009.
- Supplements of $1,856,874.85 representing reimbursements for unanticipated expenses, primarily in the form of state and federal grants.

CAPITAL ASSET ADMINISTRATION

At the end of 2009, the County had invested $89,468,434 in a broad range of capital assets, including land and improvements, buildings, machinery and equipment. The 2008 and 2009 year-end capital assets by category (net of depreciation) were:

	2008	2009
Land	$ 7,539,155	$ 5,371,793
Infrastructure	29,492,389	29,913,790
Improvements to Land		1,440,852
Buildings	36,597,124	46,746,468
Machinery and Equipment	6,216,490	5,995,531
Construction in Progress	10,681,471	
Total	$ 90,526,629	$ 89,468,434

LONG-TERM DEBT

The County's primary long-term debt is $36.7 million in bonds (certificates of participation in a lease-purchase agreement) borrowed in 2000 through 2008 to finance building of the new Courthouse and Jail and remodeling of the Public Safety Building, Juvenile Detention Center, County Administration Building, Community Corrections Center, Annex, and Rec Center. The other significant long-term liability is $2.2 million for compensated absences (vacation, sick, and compensatory leave) due to employees.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The County's current economic position has shown little change. The County experienced an increase in property valuation of 2.78%, representing growth from improvements and new construction, from 2008 to 2009. Under the state mandated property tax limitation, property taxes from one year to the next may increase by 3% or an amount based on the Consumer Price Index (CPI) whichever is lower, plus the growth percentage. The allowable CPI increase for 2009 taxes payable in 2010 is 3.0%. The County Commission has chosen to increase the 2009 (payable 2010) property tax levy by 5.78%, the total increase allowed under the tax limitation.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional information, contact Sue Roust, Minnehaha County Auditor, 415 N Dakota Ave, Sioux Falls SD 57104, (605) 367-4220, or email sroust@minnehahacounty.org.

MINNEHAHA COUNTY
STATEMENT OF NET ASSETS
December 31, 2009

	Primary Government Governmental Activities
ASSETS:	
Cash and Cash Equivalents	$ 19,971,091.00
Cash with Trustee	0.77
Taxes Receivable—Delinquant	678,625.22
Notes Receivable	245,000.00
Inventories	786,261.77
Accounts Receivable	1,744.90
Due from Federal Government	161,672.69
Due from State Government	954,138.76
Due from Local Governments	388,635.73
Due from Others	129,795.41
Capital Assets:	
Land, Improvements and Construction in Progress	5,371,792.84
Other Capital Assets, Net of Depreciation	84,096,641.47
TOTAL ASSETS	$ 112,935,400.56
LIABILITIES:	
Claims Payable	$ 1,661,059.06
Hospital Claims Payable	654,933.18
Payroll Withholding Payable	112.50
Revenues Collected in Advance	132,560.55
Noncurrent Liabilities:	
Due Within One Year	5,181,237.31
Due in More than One Year	35,950,537.34
Less: Net Deferred and Unamortized Amounts From Financings (See Note 7)	(1,282,847.47)
TOTAL LIABILITIES	42,197,592.49
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	52,030,866.81
Restricted (See Note 10)	10,939,866.59
Unrestricted	7,767,074.67
TOTAL NET ASSETS	70,737,808.07
TOTAL LIABILITIES AND NET ASSETS	$ 112,935,400.56

The notes to the financial statements are an integral part of this statement.

C-7

MINNEHAHA COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government Governmental Activities
Primary Government:					
Governmental Activities:					
General Government	$ 16,779,310.77	$ 3,329,328.87	$ 286,216.92	$ 4,500.60	$ (13,160,265.18)
Public Safety	26,400,853.04	6,821,126.73	4,821,322.54	103,745.80	(14,654,656.83)
Public Works	7,783,943.81	14,938.78	4,896,743.78		(2,862,260.36)
Health and Welfare	5,026,432.87	266,407.36	576,900.63	4,200.00	(4,169,814.40)
Culture and Recreation	2,823,518.94	112,430.18	662,162.60	45,810.20	(2,003,118.06)
Conservation of Natural Resources	189,799.23	20.58	5,000.00		(184,747.86)
Urban and Economic Development	575,194.36	72,408.80			(502,768.56)
*Depreciation Expense - Unallocated	124,827.77				(124,827.77)
**Interest on Long-term Debt	1,924,419.87				(1,924,419.87)
Total Primary Government	$ 61,636,306.29	$ 10,739,741.08	$ 11,197,379.11	$ 158,256.10	(39,573,904.89)
General Revenues:					
Taxes:					
Property Taxes					30,700,298.46
Wheel Tax					3,026,109.40
911 Telephone Surcharge					2,104,244.98
State Shared Revenues					3,343,239.73
Unrestricted Investment Earnings					554,291.96
Miscellaneous Revenue					1,211.83
Total General Revenues					39,731,395.12
Change in Net Assets					157,401.16
Net Assets - Beginning					71,207,879.25
Adjustments:					
Prior Year Adjustment (See Note 12)					(627,472.34)
Adjusted Net Assets - Beginning					70,580,406.91
NET ASSETS - ENDING					$ 70,737,808.07

*This amount excludes the depreciation that is included in the direct expenses of the various functions. (See Note 5)

**The County does not have interest expense related to the functions presented above. This amount includes indirect interest expense on general long-term debt.

The notes to the financial statements are an integral part of this statement.

17

18

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19

20

Law Enforcement	1,366,524.63			1,366,524.63
Prisoner Care	4,778,666.38			4,778,666.38
Sobriety Testing			287,784.61	287,784.61
Public Works:				
Highways		19,114.86		19,114.86
Health and Welfare:				
Economic Assistance:				
Poor Lien Recoveries	216,228.18			216,228.18
Mental Health Services	72,758.30			72,758.30
Culture and Recreation			18,892.96	18,892.96
Urban and Economic Development	71,526.07			71,526.07
Fines and Forfeits:				
Fines	123,657.35			123,657.35
Costs	138,144.73			138,144.73
Forfeits	144,733.30			144,733.30
Other	2,361.00			2,361.00
Miscellaneous Revenue:				
Investment Earnings	398,801.14	111,178.77	44,212.04	554,191.96
Rent	92,328.60			92,328.60
Contributions and Donations	4,000.00			4,000.00
Refund of Prior Year's Expenditures	182,398.03			182,398.03
Other	362,201.85	4,624.83	126,304.68	493,131.47
Total Revenues	41,297,109.84	9,048,571.73	12,443,048.53	61,785,131.48
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	491,800.42			491,800.42
Elections	71,274.95			71,274.95
Judicial System	931,261.46			931,261.46
Financial Administration:				
Auditor	645,420.34			645,420.34
Treasurer	1,141,118.89			1,141,118.89
Information Technology	1,460,099.82			1,460,099.82
Other			1,462,811.30	1,462,811.30
Legal Services:				
State's Attorney	2,856,794.57			2,856,794.57
Public Defender	3,009,633.93			3,009,633.93
Public Advocate	476,368.96			476,368.96
Other Administration:				
General Government Building	2,261,902.13			2,261,902.13
Director of Equalization	1,226,177.22			1,226,177.22
Register of Deeds	637,361.06			637,361.06
Predatory Animal	7,734.23			7,734.23
Human Resources	226,331.27			226,331.27
Self-Insurance Plan	191,122.42			191,122.42
Other (S.E.C.O.G.)	21,789.00			21,789.00

MINNEHAHA COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2009
(Continued)

	General Fund	Road & Bridge Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
Public Safety:				
Law Enforcement:				
Sheriff	5,085,892.57		147,324.98	5,238,217.35
Humane Society	45,801.34			45,801.34
County Jail	9,994,483.32			9,994,483.32
Coroner	170,141.69			170,141.69
Juvenile Detention	2,909,660.03			2,909,660.03
Juvenile Monitoring	17,416.00			17,416.00
Air Guard	798,442.53			798,442.53
Army Guard	148,828.82			148,828.82
911 Security	149,734.19			149,734.19
24/7 Sobriety			177,258.44	177,258.44
Protection and Emergency Services:				
Fire Protection			401,060.60	401,060.60
Emergency and Disaster Services			2,836,634.06	2,836,634.06
Communication Center	374,731.00		2,104,244.98	2,478,975.98
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges		5,829,628.91		5,829,628.91
Health and Welfare:				
Economic Assistance:				
Support of Poor	3,327,189.02		24,782.21	3,351,971.23
Other (ARRA-HPRP)	42,069.28			42,069.28
Health Assistance:				
Ambulance Services	256,749.96			256,749.96
Social Services:				
Inter-Lakes Community Action	12,000.00			12,000.00
Compass Center	6,000.00			6,000.00
Gary House	13,000.00			13,000.00
Domestic Abuse			84,037.30	84,037.30
Helpline Center	2,000.00			2,000.00
Mental Health Services:				
Mentally Ill	861,778.22			861,778.22
Developmentally Disabled	18,827.00			18,827.00
Mental Health Centers	148,396.00			148,396.00
Culture and Recreation:				
Culture:				

Public Library			979,466.37	979,466.37
Historical Museum	1,198,992.63		55,417.41	1,254,255.34
Memorial Day Expense	1,198.99			1,198.99
County Cemetery	2,927.09			2,927.09
Recreation:				
Parks	77,262.03			77,262.03
County Fair	466,857.00			466,857.00
Senior Citizens	3,080.00			3,080.00
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	179,944.05			179,944.05
Soil Conservation Districts	19,000.00			19,000.00
Agribusiness	2,500.00			2,500.00
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	536,156.09			536,156.09
Economic Development:				
SF Development Foundation	17,500.00			17,500.00
MCEDA	10,000.00			10,000.00
Debt Service			4,996,443.15	4,996,443.15
Capital Outlay	642,227.80	2,443,040.61	1,263,774.32	4,359,137.62
Total Expenditures	41,914,843.12	7,971,360.12	14,137,189.32	64,023,111.73
Excess of Revenues Over (Under) Expenditures	(617,732.80)	77,211.11	(1,694,119.68)	(2,234,639.37)
Other Financing Sources (Uses):				
Transfers In	111,204.92		1,376,022.76	1,487,227.57
Transfers Out	(1,072,857.20)	(111,178.77)	(303,191.60)	(1,487,227.57)
Insurance Proceeds	19,926.38			19,926.38
Sale of County Property	51,303.86			51,303.83
Total Other Financing Sources (Uses)	(890,418.11)	(111,178.77)	1,072,831.11	71,224.41
Other Changes in Fund Balance:				
Change in Reserve for Inventory		54,668.19		54,668.18
Net Change in Fund Balance	(1,508,140.89)	20,900.53	(621,287.21)	(2,108,527.80)
Fund Balance - Beginning	10,666,147.34	6,756,561.61	2,736,908.72	20,129,407.47
Adjustments:				
Prior Period Adjustment (See Note 12)	(3,593.42)			(3,593.42)
Adjusted Fund Balance - Beginning	10,662,553.92	6,756,561.61	2,736,908.72	20,126,012.94
FUND BALANCE - ENDING	$ 9,177,410.32	$ 6,774,152.02	$ 2,114,621.41	$ 18,016,184.26

The notes to the financial statements are an integral part of this statement.

MINNEHAHA COUNTY
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2009

Net Change in Fund Balances - Total Governmental Funds	$	(2,108,627.68)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were less than depreciation in the current period.		(82,213.64)
In the statement of activities, the loss on disposal of assets is reported, whereas in the governmental funds, the disposal of fixed assets is not reflected. This is the amount by which deletions exceeds accumulated depreciation of the deletions.		(397,914.54)
Repayment of long term liabilities' principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		2,862,098.37
Donations of capital assets result in an increase in capital assets on the government-wide financial statements.		45,810.20
The total yearly deferred and unamortized amounts on all Refunding issues outstanding should be claimed each year as part of Interest Expense on the government-wide financial statements.		(117,074.79)
Compensated Absences reported in the statement of activities does not require the use of current financial resources and therefore is not reported as expenditures in governmental funds.		(232,861.10)
Governmental funds report property taxes as revenue in the period for which they are levied, subject to the "available" criteria as defined in Note 1, but the statement of activities include the property taxes as revenue in the period for which tax is levied.		172,872.94
Internal service funds are used by management to charge the costs of certain activities, such as medical self-insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		62,376.98
Other Post Employment benefits reported in the statement of activities does not require the use of the current financial resources and therefore is not reported as expenditures in governmental funds.		(78,985.48)
Change in Net Assets of Governmental Activities	$	157,401.16

The Notes to the Financial Statements are an integral part of this statement.

MINNEHAHA COUNTY
BALANCE SHEET
PROPRIETARY FUNDS
December 31, 2009

		Internal Service Funds
ASSETS:		
Current Assets:		
Cash and Cash Equivalents	$	2,520,930.14
Accounts Receivable, Net		1,744.90
TOTAL ASSETS	$	2,522,675.04
LIABILITIES:		
Current Liabilities:		
Claims Payable	$	299,183.68
NET ASSETS:		
Restricted Net Assets, Restricted For:		
Self-insurance Purposes		2,223,491.36
TOTAL LIABILITIES AND NET ASSETS	$	2,522,675.04

The notes to the financial statements are an integral part of this statement.

MINNEHAHA COUNTY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2009

		Internal Service Funds
Operating Revenue:		
Charges for Goods and Services	$	3,130,105.01
Operating Expenses:		
Other Current Expense:		
Insurance Costs		281,697.57
Claims Paid		2,748,991.59
Administration Fee		102,777.58
Other		4,048.83
Total Operating Expenses		3,137,515.57
Operating Income (Loss)		(7,410.56)
Nonoperating Revenue (Expense):		
Investment Earnings		41,788.50
Rebates		27,998.94
Total Nonoperating Revenue (Expense)		69,787.44
Change in Net Assets		62,376.88
Net Assets - Beginning		2,161,114.48
NET ASSETS - ENDING	$	2,223,491.36

The notes to the financial statements are an integral part of this statement.

MINNEHAHA COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2009

		Internal Service Funds
Cash Flows from Operating Activities:		
Cash Receipts from Customers	$	3,129,149.90
Cash Payments to Suppliers of Goods and Services		(388,523.98)
Claims Paid		(2,749,986.42)
Net Cash Provided (Used) by Operating Activities		(9,360.50)
Cash Flows from Investing Activities:		
Interest Earnings		41,788.50
Rebate		27,998.94
Net Cash Provided (Used) by Investing Activities		69,787.44
Net Increase (Decrease) in Cash and Cash Equivalents		60,426.94
Cash and Cash Equivalents at Beginning of Year		2,460,503.20
CASH AND CASH EQUIVALENTS AT END OF YEAR	$	2,520,930.14
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Income (Loss)	$	(7,410.56)
Change in Assets and Liabilities:		
Decrease in Accounts and Other Payables		(994.83)
Increase in Accounts Receivable		(955.11)
Net Cash Provided (Used) by Operating Activities	$	(9,360.50)

The notes to the financial statements are an integral part of this statement.

MINNEHAHA COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2009

		Agency Funds
ASSETS:		
Cash and Cash Equivalents	$	3,298,793.30
TOTAL ASSETS	$	3,298,793.30
LIABILITIES:		
Amounts Held for Others	$	93,303.96
Due to Other Governments		3,205,489.34
TOTAL LIABILITIES	$	3,298,793.30

The notes to the financial statements are an integral part of this statement.

MINNEHAHA COUNTY
NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Reporting Entity:

The reporting entity of Minnehaha County, (County) consists of the primary government (which includes all of the funds, organizations, institutions, agencies, departments, and offices that make up the legal entity, plus those funds for which the primary government has a fiduciary responsibility); those organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the financial reporting entity's financial statements to be misleading or incomplete.

The County participates in a cooperative unit with the City of Sioux Falls. See detailed note entitled "Joint Ventures" for specific disclosures. Joint ventures do not meet the criteria for inclusion in the financial reporting entity as a component unit, but are discussed in these notes because of the nature of their relationship with the County.

b. Basis of Presentation:

Government-wide Financial Statements:

The Statement of Net Assets and Statement of Activities display information about the reporting entity as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by recipients of goods and services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

Fund financial statements of the reporting entity are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or it meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined, or

3. Management has elected to classify one or more governmental or enterprise funds as major for consistency in reporting from year to year, or because of public interest in the fund's operations.

The funds of the County financial reporting entity are described below:

Governmental Funds:

General Fund – the General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is always considered to be a major fund.

Special Revenue Funds – special revenue funds are used to account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditures for specified purposes.

Road and Bridge Fund – to account for funds credited to the road and bridge fund pursuant to SDCL 32-11-4.2 to be used by the board of county commissioners for grading, constructing, planing, dragging, and maintaining county highways and also for dragging, maintaining, and grading secondary roads. Proper equipment for dragging, grading, and maintaining highways, such as graders, tractors, drags, maintainers, and planers may be purchased from the road and bridge fund. (SDCL 32-11-2 and 32-11-4.2) This is a major fund.

The remaining Special Revenue funds are not considered major funds: 911 Service, Fire Protection, Pass Through Grants, Law Enforcement Equipment Grant, Museum Store, Museum Enterprise, Public Library, Museum Grants, Emergency and Disaster, Emergency Food and Shelter Program, Domestic Abuse, 24/7 Sobriety, Building, and Coliseum Restoration. These funds are reported on the fund financial statements as "Other Governmental Funds".

Debt Service Funds – debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Bond Redemption Fund – to account for the proceeds of a tax levy received to retire the principal and interest on general long-term debt issued. This is not a major fund.

Capital Projects Funds – capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or trust funds for individuals, private organizations, or other governments).

Capital Projects Fund – to account for financial resources to be used for the construction of the Courthouse Expansion and Health and Human Services Building Projects. This is not a major fund.

Proprietary Funds:

Internal Service Funds – internal service funds may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis. Internal service funds should be used only if the reporting government is the

predominant participant in the activity. Internal service funds are never considered to be major funds. The Self-insurance Fund is the only internal service fund maintained by the County.

Fiduciary Funds:

Fiduciary funds consist of the following sub-category and are never considered to be major funds:

Agency funds – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are used to account for the accumulation and distribution of property tax revenues and various pass through funds.

c. Measurement Focus and Basis of Accounting:

Measurement focus is a term used to describe "how" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus.

Measurement Focus:

Government-wide Financial Statements:

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the economic resources measurement focus, applied on the accrual basis of accounting.

Fund Financial Statements:

In the fund financial statements, the "current financial resources" measurement focus and the modified accrual basis of accounting are applied to governmental fund types, while the "economic resources" measurement focus and the accrual basis of accounting are applied to the proprietary fund types.

Basis of Accounting:

Government-wide Financial Statements:

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues and related assets are recorded when earned (usually when the right to receive cash vests); and, expenses and related liabilities are recorded when an obligation is incurred (usually when the obligation to pay cash in the future vests).

Fund Financial Statements:

All governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues, including property taxes, are recognized when they become measurable and available. "Available" means resources are collected or to be collected soon enough after the end of the fiscal year that they can be used to pay the bills of the current period. The accrual period for the County is 30 days. The revenues which are accrued at December 31, 2009 are amounts due from federal, state, and local governments and other entities.

Under the modified accrual basis of accounting, receivables may be measurable but not available. Reported deferred revenues are those where asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Expenditures are generally recognized when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized when due.

All proprietary and fiduciary fund types are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

d. Interfund Eliminations and Reclassifications:

Government-wide Financial Statements:

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified, as follows:

In order to minimize the doubling-up effect of internal service fund activity, certain "centralized expenses" including an administrative overhead component, are charged as direct expenses to funds or programs in order to show all expenses that are associated with a service, program, department, or fund. When expenses are charged, in this manner, expense reductions occur in the Internal Service Fund, so that expenses are reported only by the function to which they relate.

e. Capital Assets:

Capital assets include land, buildings, machinery and equipment, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for significantly greater number of years than most capital assets.

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

Capital assets are recorded at historical cost, or estimated cost, where actual cost could not be determined. Donated capital assets are valued at their estimated fair value on the date donated. Reported cost values include ancillary charges necessary to place the asset into its intended location and condition for use. Subsequent to initial capitalization, improvements or betterments that are significant and which extend the useful life of a capital asset are also capitalized.

The total December 31, 2009 balance of governmental activities capital assets, excluding infrastructure, includes approximately .33 percent for which the costs were determined by estimates of the original costs. These estimated original costs were established by reviewing applicable historical costs of similar items and basing the estimations thereon.

Infrastructure assets used in general government operations, consisting of certain improvements other than buildings, including roads, bridges, sidewalks, drainage systems, and lighting systems, acquired prior to January 1, 1980, were not required to be capitalized by the County. Infrastructure assets acquired since January 1, 1980 are recorded at cost, and classified as "Improvements Other than Buildings."

For governmental activities Capital Assets, construction-period interest is not capitalized, in accordance with USGAAP.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the government-wide Statement of Activities, except for that portion related to common use assets for which allocation would be unduly complex, and which is reported as Unallocated Depreciation, with net capital assets reflected in the Statement of Net Assets. Accumulated depreciation is reported on the government-wide Statement of Net Assets.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Land and Land Rights	$ 1	——N/A——	——N/A——
Improvements Other Than Buildings	$ 50,000	Straight-line	10-25 yrs.
Buildings	$ 50,000	Straight-line	40-99 yrs.
Machinery and Equipment	$ 5,000	Straight-line	3-25 yrs.
Infrastructure	$ 50,000	Straight-line	25-50 yrs.

Land is an inexhaustible capital asset and is not depreciated.

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as Capital Outlay expenditures of the appropriate governmental fund upon acquisition.

f. Long-Term Liabilities:

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities primarily consist of limited tax general obligation bonds, other post employment benefits, and compensated absences.

In the fund financial statements, debt proceeds are reported as revenues (other financing sources), while payments of principal and interest are reported as expenditures when they become due.

g. Program Revenues:

Program revenues derive directly from the program itself or from parties other than the County's taxpayers or citizenry, as a whole. Program revenues are classified into three categories, as follows:

1. Charges for services – These arise from charges to customers, applicants, or others who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.
2. Program-specific operating grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.
3. Program-specific capital grants and contributions – These arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for the acquisition of capital assets for use in a particular program.

h. Proprietary Funds Revenue and Expense Classifications:

In the proprietary fund's Statement of Revenues, Expenses and Changes in Net Assets, revenues and expenses are classified in a manner consistent with how they are classified in the Statement of Cash Flows. That is, transactions for which related cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities are not reported as components of operating revenues or expenses.

i. Cash and Cash Equivalents:

The County pools the cash resources of its funds for cash management purposes. The proprietary fund essentially has access to the entire amount of its cash resources on demand. Accordingly, each proprietary fund's equity in the cash management pool is considered to be cash and cash equivalents for the purpose of the Statement of Cash Flows.

j. Equity Classifications:

Government-wide Financial Statements:

Equity is classified as net assets and is displayed in three components:

1. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation (if applicable) and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2. Restricted net assets – Consists of net assets with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

3. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Financial Statements:

Governmental fund equity is classified as fund balance, and may distinguish between "Reserved" and "Unreserved" components. Proprietary fund equity is classified the same as

in the government-wide financial statements. Agency Funds have no fund equity. The net assets are reported as net assets held in agency capacity.

k. Application of Net Assets:

It is the County's policy to first use restricted net assets, prior to the use of unrestricted net assets, when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

2. DEPOSITS AND INVESTMENTS CREDIT RISK, CONCENTRATIONS OF CREDIT RISK AND INTEREST RATE RISK

The County follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by statutes. These restrictions are summarized below:

Deposits – The County's cash deposits are made in qualified public depositories as defined by SDCL 4-6A-1, 7-20-1, 7-20-1.1 and 7-20-1.2, and may be in the form of demand or time deposits. Qualified depositories are required by SDCL 4-6A-3 to maintain at all times, segregated from their other assets, eligible collateral having a value equal to at least 100 percent of the public deposit accounts which exceed deposit insurance such as the FDIC and NCUA. In lieu of pledging eligible securities, a qualified public depository may furnish irrevocable standby letters of credit issued by federal home loan banks accompanied by written evidence of that bank's public debt rating which may not be less than "AA" or a qualified public depository may furnish a corporate surety bond of a corporation authorized to do business in South Dakota.

Investments – In general, SDCL 4-5-6 permits County funds to be invested only in (a) securities of the United States and securities guaranteed by the United States Government either directly or indirectly; or (b) repurchase agreements fully collateralized by securities described in (a) above; or in shares of an open-end, no-load fund administered by an investment company whose investments are in securities described in (a) above and repurchase agreements described in (b) above. Also, SDCL 4-5-9 requires investments to be in the physical custody of the political subdivision or may be deposited in a safekeeping account with any bank or trust company designated by the political subdivision as its fiscal agent.

Credit Risk – State law limits eligible investments for the County, as discussed above. The County has an investment policy that further limits its investment choices to those specified in state statute.

Custodial Credit Risk – Deposits – The risk that, in the event of a depository failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of December 31, 2009 the County's deposits in financial institutions were exposed to custodial credit risk as follows:

Depository Name	% Under-Collateralized	At-Risk Amount
Home Federal Savings Bank	3.30%	$ 288,928.16

Interest Rate Risk – The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Assignment of Investment Income – State law allows income from deposits and investments to be credited to either the General Fund or the fund making the investment. The County's policy is to credit all income from investments to the fund making the investment, with the exception of the Road and Bridge Fund and the agency funds, which are credited to the General Fund. USGAAP, on the other hand, requires income from deposits and investments to be reported in the fund whose assets generated that income. Where the governing board has discretion to credit investment income to a fund other than the fund that provided the resources for investment, a transfer to the designated fund is reported. Accordingly, in the fund financial statements, interfund transfers of investment earnings from the Road and Bridge Fund to the General Fund are reported, while in the government-wide financial statements, they have been eliminated.

3. RECEIVABLES AND PAYABLES

Receivables and payables are not aggregated in these financial statements. The County expects receivables to be collected within one year. Notes receivable of $245,000 from the Sioux Empire Fair Association for the construction of an ice rink exists at December 31, 2009. The County expects $75,000 to be collected within one year with the remaining balance of $170,000 to be collected in annual installments through November 1, 2014. The note receivable is due to the Building Fund which is reported in the Other Nonmajor Governmental Fund column on the Governmental Funds Balance Sheet.

4. INVENTORY

Inventory in the special revenue funds consists of expendable supplies held for consumption. Supply inventories are recorded at cost.

Government-wide Financial Statements:

In the government-wide financial statements, inventory is recorded as an asset at the time of purchase, and charged to expense as it is consumed.

Fund Financial Statements:

In the governmental fund financial statements, purchases of supply inventory items are recorded as expenditures at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

5. PROPERTY TAXES

Property taxes are levied on or before October 1, of the year preceding the start of the fiscal year. They attach as an enforceable lien on property, and become due and payable as of the following January 1, the first day of the fiscal year. Taxes are payable in two installments on or before April 30 and October 31 of the fiscal year.

The County is permitted by several state statutes to levy varying amounts of taxes per $1,000 of taxable valuation on taxable real property in the County.

6. CHANGES IN GENERAL CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2009 is as follows:

	Balance 1/1/2009	Increases	Decreases	Balance 12/31/2009
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	$ 5,409,730.10	$ 298,830.44	$ (336,787.70)	$ 5,371,782.84
Construction Work in Progress	10,712,847.19		(10,712,847.19)	
Total Capital Assets not being Depreciated	16,121,897.29	298,830.44	(11,049,634.89)	5,371,782.84
Capital Assets being Depreciated:				
Improvements Other Than Buildings	57,382,054.65	2,294,308.19	(719,851.53)	58,547,361.88
Buildings	60,340,190.96	11,838,382.98		71,878,588.94
Machinery and Equipment	12,406,080.62	928,380.43	(447,382.33)	12,886,703.92
Total Capital Assets being Depreciated	129,828,642.91	14,861,142.60	(1,167,694.16)	144,312,880.86
Less Accumulated Depreciation for:				
Improvements Other Than Buildings	(27,815,114.10)	(1,087,258.24)	719,852.00	(28,182,720.34)
Buildings	(23,843,060.68)	(1,489,848.63)		(25,132,119.69)
Machinery and Equipment	(6,189,203.79)	(1,897,222.02)	385,355.32	(6,881,170.49)
Total Accumulated Depreciation	(56,847,387.91)	(4,473,929.39)	1,104,807.32	(60,216,009.46)
Total Capital Assets being Depreciated, Net	73,781,185.00	10,377,813.31	(62,129.84)	84,096,841.47
Governmental Activity Capital Assets, Net	$ 89,902,782.29	$ 10,676,443.75	$ (11,110,761.73)	$ 89,468,434.31

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 790,720.93
Public Safety	972,089.18
Public Works	2,309,165.77
Health and Welfare	206,895.86
Culture and Recreation	96,272.33
Conservation of Natural Resources	837.63
Urban and Economic Development	1,119.80
Unallocated	124,927.77
	$ 4,473,929.29

7. LONG-TERM LIABILITIES

A summary of changes in long-term liabilities follows:

Primary Government: Governmental Activities:	Balance 1/1/09	Additions	Reductions	Balance 12/31/09	Due within One Year
Bonds and Certificates Payable:					
Certificates of Participation	$ 41,612,814.34	$	$ (2,892,099.37)	$ 38,720,414.97	$ 3,111,743.21
Less: Net Deferred and Unamortized Amounts From Refunding	(1,399,822.36)		117,974.79	(1,282,847.47) **	
Other Liabilities:					
Compensated Absences	2,002,343.83	2,488,966.23	(2,256,024.13)	2,235,204.72	2,069,494.10
Other Post-Employment Benefits (Retiree Health Insurance)	99,189.40	79,995.48		179,154.88	
Total Governmental Activities	$ 42,314,034.18	$ 2,565,951.71	$ (5,031,048.71)	$ 39,849,927.18	$ 5,181,237.31

** This amount represents the Series 2004, 2005, 2006 and 2007BC, and 2008A Refunding issues, and the 2007A Original Issue, net deferred and unamortized amounts which are to be recognized over the life of the refunding certificates.

In prior years the County defeased certain limited tax general obligation certificates by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2009, the County had $19,420,020.07 on deposit with the escrow agent in this irrevocable trust to retire $19,105,000.00 of bonds still outstanding which are now considered defeased.

Debt payable at December 31, 2009, is comprised of the following:

Certificates of Participation:

Limited Tax General Obligation – Series 2000, 4.4 to 5.0 Percent Interest, Final Maturity Date of December 2015, Retired By the Building Fund (Special Revenue Fund)	$ 915,000.00
Limited Tax General Obligation – Series 2004, 3.5 to 5.0 Percent Interest, Final Maturity Date of November 2020, Retired By the Building Fund (Special Revenue Fund).	$ 13,170,000.00
Limited Tax General Obligation – Series 2005A, 4.0 to 4.25 Percent Interest, Final Maturity Date of November 2020, Retired By the Building Fund (Special Revenue Fund).	$ 1,700,000.00
Limited Tax General Obligation – Series 2005B, 4.0 to 4.25 Percent Interest, Final Maturity Date of November 2016, Retired By the Building Fund (Special Revenue Fund).	$ 630,000.00
Limited Tax General Obligation – Series 2005C, 4.29 Percent Interest, Final Maturity Date of November 2025, Retired By the Building Fund (Special Revenue Fund).	$ 2,505,414.97
Limited Tax General Obligation – Series 2006, 3.85 to 4.0 Percent Interest, Final Maturity Date of December 2020, Retired By the Building Fund (Special Revenue Fund).	$ 1,750,000.00

Limited Tax General Obligation – Series 2007A, 4.25 to 4.75 Percent Interest, Final Maturity Date of December 2027, Retired By the Bond Redemption Fund (Special Revenue Fund).	$ 11,590,000.00
Limited Tax General Obligation – Series 2007B, 3.5 to 3.7 Percent Interest, Final Maturity Date of December 2014, Retired By the Building Fund (Special Revenue Fund).	$ 1,565,000.00
Limited Tax General Obligation – Series 2007C, 3.7 to 4.0 Percent Interest, Final Maturity Date of December 2014, Retired By the Building Fund (Special Revenue Fund).	$ 1,710,000.00
Limited Tax General Obligation – Series 2008A, 3.0 to 4.0 Percent Interest, Final Maturity Date of December 2012, Retired By the Building Fund (Special Revenue Fund).	$ 3,195,000.00

Compensated Absences:

Vacation Leave and Compensatory Time	$ 1,287,166.53
Sick Leave	$ 948,038.19

Payment to be made by the fund that the payroll expenditures are charged to.

The annual requirements to amortize all debt outstanding as of December 31, 2009, except for compensated absences and other post-employment benefits are as follows:

Annual Requirements to Amortize Long-Term Debt
December 31, 2009

Year Ending Dec. 31,	Certificates of Participation Principal	Certificates of Participation Interest
2010	$ 3,111,743.21	$ 1,896,859.07
2011	2,891,586.40	1,547,588.88
2012	3,111,843.88	1,446,951.09
2013	2,451,916.17	1,338,251.61
2014	2,542,421.35	1,243,860.93
2015-2019	14,703,377.89	4,374,836.01
2020-2024	7,096,502.45	1,394,840.21
2025-2029	2,811,219.81	257,382.47
TOTAL	$ 38,720,414.97	$ 13,270,670.27

8. CONDUIT DEBT

In the past, the County has issued revenue bonds to provide financial assistance to certain private-sector entities for the acquisition and/or construction of facilities deemed to be in the public interest. These bonds are secured by the property being financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities is retained by the private-sector entity served by the bond issuance. Neither the County, the State of South Dakota, nor any other political subdivision of the state is obligated in any manner for the repayment of these conduit debt issues. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2009, there were five series of conduit bonds outstanding, with an aggregate unpaid principal amount of $24,056,579.72.

9. OPERATING LEASES

Minnehaha County entered into a lease agreement on April 1, 1995, with thirteen other counties to provide them access to Minnehaha County's juvenile detention facilities. This contract is to remain in effect for twenty years (until March 31, 2015). The payments will be the same throughout the term of the lease agreement and are due each June 1st and December 1st.

The counties and their annual rental payments will be as follows:

Bon Homme	$ 4,332.12
Brookings	22,726.18
Charles Mix	6,370.16
Clay	9,680.67
Hanson	2,294.08
Hutchinson	5,604.60
Lake	7,642.64
Lincoln	14,012.80
McCook	3,822.91
Miner	2,036.04
Moody	5,604.80
Turner	4,841.83
Yankton	14,775.77
	$ 103,745.80

There will be an additional daily charge to the participating counties for expenses related to housing juveniles in the detention facilities.

10. RESTRICTED NET ASSETS

Restricted net assets for the year ended December 31, 2009 were as follows:

Major Funds:		
Road and Bridge Purposes	$ 6,474,489.58	
Other Purposes:		
Fire Protection Purposes	129,218.42	
Law Enforcement Equipment Grant Purposes	(1,111.84)	
Museum Store Purposes	35,143.16	
Museum Enterprise Purposes	96,004.16	
Public Library Purposes	496,534.17	
Museum Grants Purposes	20,793.63	
Emergency and Disaster Purposes	73,979.32	
Domestic Abuse Purposes	12,665.00	
Building Purposes	926,703.79	
24/7 Program Purposes	120,351.43	
Coliseum Restoration Purposes	10,795.05	
Bond Redemption Purposes	316,929.26	
Self-Insurance Purposes	2,223,491.36	
Total Restricted Net Assets		$ 10,939,888.38

These balances are restricted due to federal grants, bond covenants, and statutory requirements.

11. INTERFUND TRANSFERS

Interfund transfers for the year ended December 31, 2009 were as follows:

Transfers From:	Transfers To: General Fund	Transfers To: Aggregate Other Governmental Funds	Totals
Major Funds:			
General Fund	$	$ 1,072,857.24	$ 1,072,857.24
Road and Bridge Fund	111,178.77		111,178.77
Other Governmental Funds	26.05	303,165.51	303,191.56
Totals	$ 111,204.82	$ 1,376,022.75	$ 1,487,227.57

The County typically budgets transfers to the Emergency Management Fund and Building Fund (Other Governmental Funds) to conduct the indispensable functions of the County. The County's policy is to transfer interest earnings from the Road and Bridge Fund to the General Fund.

12. PRIOR PERIOD ADJUSTMENTS

The General Fund Balance as of January 1, 2009 reported on the Statement of Revenues, Expenditures and Changes in Fund Balances has been adjusted (decreased) in the amount of ($3,595.43) to restate the amount reported for Undesignated Unreserved Fund Balance.

The Net Assets as of January 1, 2009 reported on the government-wide Statement of Activities has been adjusted (decreased) in the amount of ($527,472.34) to restate the amount reported for Accumulated Depreciation-Improvements Other Than Buildings ($523,876.91) and to restate the amount reported for Unrestricted Net Assets ($3,595.43).

13. RETIREMENT PLAN

All employees, except for part-time employees, participate in the South Dakota Retirement System (SDRS), a cost-sharing, multiple employer public employee retirement system established to provide retirement benefits for employees of the State of South Dakota and its political subdivisions. The SDRS provides retirement, disability and survivor benefits. The right to receive retirement benefits vests after three years of credited service. Authority for establishing, administering and amending plan provisions are found in South Dakota Codified Law 3-12. The SDRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the SDRS, P.O. Box 1098, Pierre, SD 57501-1098 or by calling (605) 773-3731.

General employees are required by state statute to contribute 6 percent of their salary to the plan, while public safety and judicial employees contribute at 8 percent and 9 percent, respectively. State statute also requires the employer to contribute an amount equal to the employee's contribution. State statute also requires the employer to make an additional contribution in the amount of 6.2 percent for any compensation exceeding the maximum taxable amount for social security for general employees only. The County's share of contributions to the SDRS for the fiscal years ended December 31, 2009, 2008, and 2007 were $1,572,780.75, $1,530,078.73, and $1,455,610.81, respectively, equal to the required contributions each year.

14. OTHER POST EMPLOYMENT BENEFITS

Plan Description. The Minnehaha County Health Care Trust Plan is a single-employer defined benefit healthcare plan administered by Minnehaha County. The Minnehaha County Health Care Trust Plan provides medical insurance benefits to eligible retirees and their spouses as permitted by South Dakota Codified Law 6-1-16. Benefit provisions were established and may be amended by the governing board. The health plan does not issue separately stated stand-alone financial statements.

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by the governing board. A benefited employee, who retires from the County on or after the age of 45 and with at least 15 years of consecutive service with the County and has 5 years of plan participation immediately preceding retirement, may be eligible for retiree health insurance coverage. Coverage ceases when the retiree attains the age of 65. The retiree is responsible for 102% of the full active premium rates for either single or family coverage.

Annual OPEB Cost and Net OPEB Obligation. The entity's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the financial components of the plan:

Annual Required Contribution (ARC)	$ 87,175.00
Interest on net OPEB obligation	0.00
Adjustment to annual required contribution	0.00
Annual OPEB Cost	87,175.00
Contributions made	(10,208.52)
Increase (Decrease) in net OPEB obligation	76,966.48
Net OPEB obligation – beginning of year	99,188.48
Net OPEB obligation – end of year	$ 176,154.96

The entity's annual OPEB cost data and net OPEB obligation was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/08	$ 87,175.00	(13.78%)	$ 99,188.48
12/31/09	$ 87,175.00	11.71%	$ 176,154.96

Past years not available.

Funded Status and Funding Progress. The plan's statistics were as follows:

Actuarial Valuation Date December 31,	Actuarial Accrued Liability	Actuarial Value of Benefit Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a % of Covered Payroll
2008	$ 740,801	$ 0.00	$ 740,801	0%	$ 21,409,824	3.5%
2009	$ 740,801*	$ 0.00	$ 740,801	0%	$ 22,051,913**	3.4%

* Actuarial Accrued Liability for December 31, 2009 is based on the balance as of December 31, 2008, the most recent actuarial valuation date, as the County elected to estimate 2009 values and not to adjust the Actuarial Accrued Liability.

**Covered Payroll for December 31, 2009 is based on the assumed salary scale assumption of 3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The above schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008 the most recent actuarial valuation date, the projected unit credit method was used. The actuarial assumptions included a 5% rate of return and an annual healthcare cost trend rate of 8% for 2009 reduced by .5% decrements to an ultimate rate of 5% for year 2014 and thereafter. Both rates include a 3% percent inflation assumption. The UAAL is being amortized as a level dollar amount on an open basis over a period of 30 years.

15. JOINT VENTURES

Metro Communications Agency was jointly formed by the Minnehaha County and the City of Sioux Falls in 1980. In 2007, the County and the City entered into a subsequent joint cooperative agreement changing the composition and structure of Metro Communications to an administrative agency with its own standing, separate and apart from the governmental organizations of either the County or the City, effective on January 1, 2008.

The agency is governed by a five member Council which includes two County Commissioners, the Mayor, and two members of the City Council appointed by the Mayor. The agency is responsible for county-wide public safety dispatch, maintenance of centralized dispatch records, and the maintenance and purchasing of related communications equipment. Complete financial statements are available at the administrative offices located at 500 North Dakota Avenue in Sioux Falls, South Dakota.

16. SIGNIFICANT CONTINGENCIES – LITIGATION

At December 31, 2009, the County was involved in several lawsuits. No determination can be made at this time regarding the potential outcome of these lawsuits. However, as discussed in the Risk Management note, the County has liability coverage for itself and its employees with South Dakota Public Assurance Alliance. Therefore, no material effects are anticipated to the County as a result of the potential outcome of these lawsuits.

17. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the period ended December 31, 2009, the County managed its risks as follows:

Employee Health Insurance:

The County is self-insured for employee health insurance.

Minnehaha County purchases catastrophic coverage for employee's health insurance to minimize their exposure to risks of loss to the self-insurance program. The County purchases two types of insurance. The first is aggregate excess liability insurance. This insurance will pay 100% of all claims in excess of a pre-determined dollar amount for a claim year. The insurance company applying a formula based upon previous years' annual claims and self-insurance group size determines the dollar amount of aggregate claims. In 2009 the minimum aggregate amount was $1,974,753. The insurance company would pay 100% of all program eligible claim expenses in excess of that amount for 2009. The other form of insurance carried by the county on the self-insurance program covers individual cases. In 2009 the insurance company set a $100,000 yearly deductible level on individual cases. Any individual's eligible claim expenses exceeding $100,000 that are to be paid by the self-insurance program will be paid 100% by the insurance company. The insurance company also sets a $1,000,000 maximum lifetime coverage amount on individuals. Based on the 2009 insurance agreement and a review of the 2008 and 2007 insurance agreements, the County's self-insurance program has not had any significant reductions in insurance coverage from previous years to the current year.

Minimum Aggregate Amount:
In 2009 the self-insurance program's total yearly claim expenses did not exceed the minimum aggregate deductible of $1,974,753 established by the insurance company. Additionally, the County's self-insurance program's total yearly claims have not exceeded the minimum aggregate deductible amount set by the insurance company for the previous six years (2003 through 2008).

Individual Claim Amount:
In 2009 the insurance company set a $100,000 yearly deductible level on individual cases. In 2009 the program had two individuals with claim expenses that exceeded the individual claim level amount. In 2008 the program had one individual with claim expenses that exceeded the individual claim level amount, and in 2007 the program had four individuals with claim expenses that exceeded the individual claim level amount.

The County has reserved equity in the Self-insurance Fund in the amount of $2,520,930.14 for the payment of future claims.

Liability Insurance:

The County joined the South Dakota Public Assurance Alliance (SDPAA), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the SDPAA is to administer and provide risk management services and risk sharing facilities to the members and to defend and protect the members against liability, to advise members on loss control guidelines and procedures, and provide them with risk management services, loss control and risk reduction information and to obtain lower costs for that coverage. The County's responsibility is to promptly report to and cooperate with the SDPAA to resolve any incident which could result in a claim being made by or against the County. The County pays an annual premium, to provide liability coverage detailed below, under a claims-made policy and the premiums are accrued based on the ultimate cost of the experience to date of the SDPAA member, based on their exposure or type of coverage. The County pays an annual premium to the pool to provide coverage for:

a. General Liability
b. Automotive Liability
c. Officials' Liability
d. Law Enforcement Liability

The agreement with the SDPAA provides that the above coverages will be provided to a $1,000,000 limit. Member premiums are used by the pool for payment of claims and to pay for reinsurance for claims in excess of $250,000 for property coverage and $500,000 for liability coverage to the upper limit. A portion of the member premiums are also allocated to a cumulative reserve fund. The County would be eligible to receive a refund for a percentage of the amount allocated to the cumulative reserve fund on the following basis:

End of County's First Full Year	50%
End of County's Second Full Year	60%
End of County's Third Full Year	70%
End of County's Fourth Full Year	80%
End of County's Fifth Full Year	90%
End of County's Sixth Full Year and Thereafter	100%

The County has been a participant of the SDPAA since 1990 and as of December 31, 2009, the County has vested balance in the cumulative reserve fund of $343,399.39.

The County carries a $5,000 deductible for the general, officials', and law enforcement liability coverage, and no deductible for the automotive coverage.

The County does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage during the past three years.

Worker's Compensation:

The County joined the South Dakota Municipal League Worker's Compensation Fund (Fund), a public entity risk pool currently operating as a common risk management and insurance program for South Dakota local government entities. The objective of the Fund is to formulate, develop, and administer, on behalf of the member organizations, a program of worker's compensation coverage, to obtain lower costs for that coverage, and to develop a comprehensive loss control program. The County's responsibility is to initiate and maintain a safety program to give its employees safe and sanitary working conditions and to promptly report to and cooperate with the Fund to resolve any worker's compensation claims. The County pays an annual premium, to provide worker's compensation coverage for its employees, under a self-funded program and the premiums are accrued based on the ultimate cost of the experience to date of the Fund members. Coverage limits are set by state statute. The pool pays the first $550,000 of any claim per individual. The pool has reinsurance which covers up to statutory limits in addition to a separate combined employer liability of $2,000,000 per incident.

The County does not carry additional insurance to cover claims in excess of the upper limit. Settled claims resulting from these risks have not exceeded the liability coverage over the past three years.

Unemployment Benefits:

The County has elected to be self-insured and retain all risk for liabilities resulting from claims for unemployment benefits.

During the year ended December 31, 2009, nine claims were filed for unemployment benefits. These claims resulted in the payment of benefits in the amount of $18,543.89. At December 31, 2009, no claims had been filed and were outstanding.

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2009

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
General Property Taxes—Current	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]
General Property Taxes—Delinquent	[illegible]	147,390.00	[illegible]	[illegible]
Penalties and Interest	[illegible]	[illegible]	[illegible]	22,713.[illegible]
Telephone Tax (Outside)	[illegible]	[illegible]	[illegible]	[illegible]
Mobile Home Tax	[illegible]	[illegible]	[illegible]	[illegible]
Other Taxes	[illegible]	[illegible]	[illegible]	2,000.00
Licenses and Permits	[illegible]	[illegible]	[illegible]	[illegible]
Intergovernmental Revenue:				
Federal Grants	[illegible]	[illegible]	[illegible]	[illegible]
Federal Shared Revenue	[illegible]	[illegible]	[illegible]	[illegible]
Federal Payments in Lieu of Taxes	[illegible]	1,000.00	[illegible]	1,312.40
State Grants	[illegible]	[illegible]	[illegible]	[illegible]
State Shared Revenue:				
Bank Franchise	[illegible]	[illegible]	[illegible]	[illegible]
Court Appointed Attorney/Public Defender	[illegible]	[illegible]	[illegible]	[illegible]
Abused and Neglected Child Defense	0.00	0.00	[illegible]	[illegible]
Telecommunications Gross Receipts Tax	[illegible]	[illegible]	[illegible]	[illegible]
Other Payments in Lieu of Taxes	[illegible]	[illegible]	[illegible]	[illegible]
Other Intergovernmental Revenue:				
Museum Operations (City Share)	[illegible]	[illegible]	[illegible]	[illegible]
Health/Human Service Operations (City Share)	[illegible]	[illegible]	[illegible]	[illegible]
Other Intergovernmental Revenue	[illegible]	[illegible]	[illegible]	[illegible]
Charges for Goods and Services:				
General Government:				
Treasurer's Fees	[illegible]	[illegible]	[illegible]	[illegible]
Register of Deeds' Fees	[illegible]	[illegible]	[illegible]	[illegible]
Legal Services	[illegible]	[illegible]	[illegible]	[illegible]
Clerk of Courts Fees	[illegible]	[illegible]	[illegible]	[illegible]
Other Fees	[illegible]	[illegible]	[illegible]	[illegible]
Public Safety:				
Law Enforcement	[illegible]	[illegible]	[illegible]	[illegible]
Prisoner Care	[illegible]	[illegible]	[illegible]	[illegible]
Health and Welfare:				
Post Lien Recoveries	[illegible]	[illegible]	[illegible]	[illegible]
Mental Health Services	[illegible]	[illegible]	[illegible]	[illegible]
Culture and Recreation	[illegible]	[illegible]	0.00	[illegible]
Urban and Economic Development	0.00	0.00	[illegible]	[illegible]
Fines and Forfeits:				
Fines	[illegible]	[illegible]	[illegible]	[illegible]
Costs	[illegible]	[illegible]	[illegible]	[illegible]
Forfeits	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]
Miscellaneous Revenue:				
Investment Earnings	[illegible]	[illegible]	[illegible]	[illegible]
Rent	[illegible]	[illegible]	[illegible]	[illegible]
Contributions and Donations	0.00	0.00	[illegible]	[illegible]
Refund of Prior Year's Expenditures	[illegible]	[illegible]	[illegible]	[illegible]
Other	[illegible]	[illegible]	[illegible]	[illegible]
Total Revenues	[illegible]	[illegible]	[illegible]	[illegible]

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2009
(Continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Expenditures:				
General Government:				
Legislative:				
Board of County Commissioners	[illegible]	[illegible]	[illegible]	[illegible]
Contingency	[illegible]	[illegible]		
Amount Transferred		[illegible]		[illegible]
Elections	[illegible]	[illegible]	[illegible]	[illegible]
Judicial System	[illegible]	[illegible]	[illegible]	[illegible]
Financial Administration:				
Auditor	[illegible]	[illegible]	[illegible]	[illegible]
Treasurer	1,341,744.00	1,341,744.00	1,911,118.[illegible]	[illegible]
Information Services	[illegible]	[illegible]	[illegible]	[illegible]
Legal Services:				
State's Attorney	[illegible]	[illegible]	[illegible]	321.43
Public Defender	[illegible]	[illegible]	[illegible]	[illegible]
Public Advocate	[illegible]	[illegible]	[illegible]	[illegible]
Other Administration:				
General Government Building	[illegible]	[illegible]	[illegible]	[illegible]
Director of Equalization	[illegible]	[illegible]	[illegible]	[illegible]
Register of Deeds	[illegible]	[illegible]	[illegible]	[illegible]
Predatory Animal	7,736.00	7,736.00	7,734.[illegible]	[illegible]
Human Resources	[illegible]	[illegible]	[illegible]	[illegible]
Self-Insurance Plan	[illegible]	[illegible]	[illegible]	[illegible]
Other (S.E.C.O.G.)	[illegible]	21,795.00	[illegible]	0.00
Public Safety:				
Law Enforcement:				
Sheriff	[illegible]	[illegible]	[illegible]	[illegible]
Humane Society	[illegible]	[illegible]	[illegible]	[illegible]
County Jail	[illegible]	[illegible]	[illegible]	[illegible]
Coroner	[illegible]	[illegible]	[illegible]	[illegible]
Juvenile Detention	[illegible]	[illegible]	[illegible]	[illegible]
Juvenile Monitoring	0.00	[illegible]	[illegible]	0.00
Air Guard	[illegible]	[illegible]	[illegible]	[illegible]
Army Guard	[illegible]	[illegible]	[illegible]	[illegible]
911 Security	[illegible]	[illegible]	[illegible]	[illegible]
Protective and Emergency Services:				
Communication Center	[illegible]	[illegible]	[illegible]	0.00
Health and Welfare:				
Economic Assistance:				
Support of Poor	[illegible]	[illegible]	[illegible]	[illegible]
ARRA-HPRP Grant	0.00	[illegible]	[illegible]	[illegible]
Health Assistance:				
Ambulance Service	[illegible]	[illegible]	[illegible]	[illegible]
Social Services:				
Inter-Lakes Community	[illegible]	[illegible]	[illegible]	0.00
Compass Center	[illegible]	[illegible]	[illegible]	0.00
Glory House	[illegible]	[illegible]	[illegible]	0.00
Helpline Center	[illegible]	[illegible]	[illegible]	0.00
Mental Health Services:				
Mentally Ill	[illegible]	[illegible]	[illegible]	[illegible]
Developmentally Disabled	[illegible]	[illegible]	[illegible]	0.00
Mental Health Centers	[illegible]	[illegible]	[illegible]	0.00

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2009
(Continued)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Culture and Recreation:				
Culture:				
Historical Museum	[illegible]	[illegible]	[illegible]	[illegible]
Memorial Day Expense	[illegible]	[illegible]	[illegible]	[illegible]
County Cemetery	[illegible]	[illegible]	[illegible]	[illegible]
Recreation:				
Parks	[illegible]	[illegible]	[illegible]	[illegible]
County Fair	[illegible]	[illegible]	[illegible]	0.00
Senior Citizens	[illegible]	[illegible]	[illegible]	0.00
Other	[illegible]	[illegible]	0.00	[illegible]
Conservation of Natural Resources:				
Soil Conservation:				
County Extension	[illegible]	195,125.17	[illegible]	[illegible]
Soil Conservation Districts	[illegible]	[illegible]	[illegible]	0.00
Agri-Business	[illegible]	[illegible]	[illegible]	0.00
Urban and Economic Development:				
Urban Development:				
Planning and Zoning	[illegible]	[illegible]	[illegible]	[illegible]
Economic Development:				
SF Development Foundation	7,000.00	17,000.00	17,000.00	0.00
MCEDA	[illegible]	[illegible]	[illegible]	0.00
Total Expenditures	[illegible]	[illegible]	[illegible]	[illegible]
Excess of Revenues Over (Under) Expenditures	[illegible]	[illegible]	[illegible]	[illegible]
Other Financing Sources (Uses):				
Transfers In	0.00	0.00	[illegible]	[illegible]
Transfers Out	[illegible]	[illegible]	[illegible]	0.00
Insurance Proceeds	[illegible]	[illegible]	[illegible]	[illegible]
Sale of County Property	0.00	0.00	[illegible]	[illegible]
Total Other Financing Sources (Uses)	[illegible]	[illegible]	[illegible]	[illegible]
Net Change in Fund Balances	[illegible]	[illegible]	[illegible]	[illegible]
Fund Balance - Beginning	[illegible]	[illegible]	[illegible]	0.00
Adjustments:				
Prior Period Adjustment	[illegible]	[illegible]	[illegible]	0.00
Adjusted Fund Balance - Beginning	[illegible]	[illegible]	[illegible]	0.00
FUND BALANCE - ENDING	$ [illegible]	$ [illegible]	$ [illegible]	$ [illegible]

REQUIRED SUPPLEMENTARY INFORMATION
MINNEHAHA COUNTY
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
For the Year Ended December 31, 2009

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Wheel Tax	$ 2,930,000.00	$ 2,930,000.00	$ 3,026,169.40	$ 96,169.40
Intergovernmental Revenue:				
State Shared Revenue:				
Motor Vehicle Licenses	4,200,000.00	4,200,000.00	4,582,705.01	382,705.01
Prorate/Port of Entry Fees	280,000.00	280,000.00	316,840.35	36,840.35
40.24% Mobile Home/Manufactured Home	25,000.00	25,000.00	27,166.79	2,166.79
Charges for Goods and Services:				
Public Works:				
Highways	3,000.00	3,000.00	10,114.86	7,114.86
Miscellaneous Revenue:				
Investment Earnings	0.00	0.00	111,176.77	111,176.77
Other	3,000.00	3,000.00	4,624.80	1,624.80
Total Revenues	7,441,000.00	7,441,000.00	8,048,071.73	607,071.73
Expenditures:				
Public Works:				
Highways and Bridges:				
Highways, Roads and Bridges	9,572,219.00	10,520,806.30	7,971,000.62	2,549,344.68
Excess of Revenues Over (Under) Expenditures	(2,131,219.00)	(3,079,806.30)	77,311.11	3,156,916.30
Other Financing Sources (Uses):				
Transfers Out	0.00	0.00	(111,176.77)	(111,176.77)
Other Changes in Fund Balance:				
Changes in Reserve for Inventory	0.00	0.00	64,668.16	64,668.16
Net Change in Fund Balances	(2,131,219.00)	(3,079,806.30)	30,800.52	[illegible]
Fund Balance - Beginning	6,703,351.51	6,703,351.51	6,703,351.51	0.00
FUND BALANCE - ENDING	$ 4,572,132.51	$ 3,624,345.21	$ 6,734,152.03	$ [illegible]

49

MINNEHAHA COUNTY
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Schedules of Budgetary Comparisons for the General Fund
and for each major Special Revenue Fund with a legally required budget.

Note 1. Budgets and Budgetary Accounting:

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Between the fifteenth and thirtieth days of July in each year the Board of County commissioners prepares and files with the County Auditor a provisional budget for the following year, containing a detailed estimate of cash balances, revenues and expenditures.

2. Prior to the first Tuesday in September in each year a notice of budget hearing is published once each week for two successive weeks, and the text of the provisional budget is published with the first publication.

3. The Board of County Commissioners holds a meeting for the purpose of considering the provisional budget on or prior to the first Tuesday in September in each year. Such hearings must be concluded by October first. Changes made to the provisional budget are entered at length in the minutes of the Board of County Commissioners.

4. Before October first of each year the Board of County Commissioners adopts an annual budget for the ensuing year. The adopted budget is filed in the office of the County Auditor.

5. After adoption by the Board of County Commissioners, the operating budget is legally binding and actual expenditures for each purpose cannot exceed the amounts budgeted, except as indicated in number 7.

6. A line item for contingencies may be included in the annual budget. Such a line item may not exceed 5 percent of the total county budget.

7. If it is determined during the year that sufficient amounts have not been budgeted, state statute allows the adoption of supplemental budgets.

8. Unexpended appropriations lapse at year end unless encumbered by resolution of the Board of County Commissioners.

9. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.

10. Budgets for the General Fund and special revenue funds are adopted on a basis consistent with USGAAP.

Note 2. USGAAP/Budgetary Accounting Basis Differences:

The financial statements prepared in conformity with USGAAP present capital outlay expenditure information in a separate category of expenditures. Under the budgetary basis of accounting, capital outlay expenditures are reported within the function to which they relate. For example, the purchase of a new sheriff's patrol car would be reported as a capital outlay expenditure on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances, however in the Budgetary RSI Schedule, the purchase of a new sheriff's patrol car would be reported as an expenditure of the Public Safety/Law Enforcement function of government, along with all other current Law Enforcement Department related expenditures.

50

MINNEHAHA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009

	Fire Protection Fund	Pass Thru Grants Fund	Law Enforcement Equipment Grant Fund	Wamarb Store Fund	Detention Enterprise Fund	Public Library Fund	Museum Grants Fund
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	$ 121,186.18	$ 88,903.27	$ (49,583.23)	$ 34,380.86	$ 86,428.31	$ 806,316.08	$ 21,619.39
Cash With Trustee							
Taxes Receivable—Delinquent	8,032.24					16,096.12	
Notes Receivable							
Due from State Government							
Due from Local Governments			49,300.00				
Due from Others				957.26			
TOTAL ASSETS	$ 129,218.42	$ 88,903.27	$ (283.34)	$ 35,314.10	$ 86,428.31	$ 822,409.17	$ 21,619.39
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Claims Payable	$	$	$ 819.90	$ 370.94	$ 434.15	$ 25,876.00	$ 1,826.76
Revenues Collected in Advance		88,903.27					
Deferred Revenue	8,032.24					16,098.12	
Total Liabilities	8,032.24	88,903.27	819.90	370.94	434.15	41,974.12	1,826.76
Fund Balances:							
Reserved For:							
Debt Service							
Unreserved Fund Balances:							
Designated for Next Year's Appropriation:							
Reported in Nonmajor:							
Special Revenue Funds						5,186.86	
Undesignated:							
Reported in Nonmajor:							
Special Revenue Funds	121,186.18		(1,111.80)	35,143.16	86,994.16	471,249.08	20,792.63
Total Fund Balances	121,186.18	0.00	(1,111.80)	35,143.16	86,994.16	480,435.08	20,792.63
TOTAL LIABILITIES AND FUND BALANCES	$ 129,218.42	$ 88,903.27	$ (283.34)	$ 35,514.10	$ 86,428.31	$ 822,409.17	$ 21,619.39

51

MINNEHAHA COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2009
(Continued)

	Emergency and Disaster Fund	Domestic Abuse Fund	24/7 Sobriety Fund	Building Fund	Coliseum Restoration Fund	Bond Redemption Fund	Total Nonmajor Governmental Funds
ASSETS:							
Current Assets:							
Cash and Cash Equivalents	$ (171,861.74)	$ 12,064.39	$ 123,519.32	$ 646,818.60	$ 10,796.06	$ 282,784.86	$ 1,649,354.91
Cash With Trustee				0.77			0.77
Taxes Receivable—Delinquent				102,484.61		38,103.71	152,719.06
Notes Receivable				246,800.00			246,000.00
Due from Federal Government	295,098.22						295,098.22
Due from Local Governments				142.50		40.99	46,444.06
Due from Others		619.70					1,367.86
TOTAL ASSETS	$ 123,237.48	$ 12,686.00	$ 123,519.32	$ 996,443.86	$ 10,796.06	$ 315,929.26	$ 2,393,428.01
LIABILITIES AND FUND BALANCES:							
Liabilities:							
Claims Payable	$ 23,773.22	$	$ 3,153.89	$ 5,738.71	$	$	$ 66,102.35
Revenues Collected in Advance							88,903.27
Deferred Revenue				106,484.01		38,103.71	152,719.89
Total Liabilities	23,773.22	0.00	3,153.89	112,222.80	0.00	38,103.71	278,604.80
Fund Balances:							
Reserved For:							
Debt Service				246,000.00			246,000.00
Unreserved Fund Balances:							
Designated for Next Year's Appropriation:							
Reported in Nonmajor:							
Special Revenue Funds				578,219.76			583,406.76
Undesignated:							
Reported in Nonmajor:							
Special Revenue Funds	99,434.26	12,686.00	120,361.43		10,796.06	282,825.55	1,281,216.83
Total Fund Balances	99,434.26	12,686.00	120,361.43	824,219.76	10,796.06	282,825.55	2,114,821.41
TOTAL LIABILITIES AND FUND BALANCES	$ 123,237.48	$ 12,686.00	$ 123,515.32	$ 996,443.86	$ 10,796.06	$ 315,929.26	$ 2,393,426.01

52

53

54

MINNEHAHA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	2009 Expenditures
Department of Agriculture:		
Indirect Federal Funding:		
SD Department of Education,		
Child Nutrition Cluster;		
Cash Assistance;		
School Breakfast Program (See Note 2)	10.553	$ 23,064.82
National School Lunch Program (See Note 2)	10.555	44,032.08
Total Department of Agriculture		67,096.90
Department of Commerce:		
Indirect Federal Funding:		
SD Department of Public Safety,		
Public Safety Interoperable Communications Grant Program (See Note 3 and Note 4)	11.555	620,257.79
Department of Housing and Urban Development:		
Indirect Federal Funding:		
SD Governor's Office of Economic Development,		
Community Development Block Grant/		
State's Program and Non Entitlement Grants in Hawaii (See Note 3 and Note 4)	14.228	471,246.00
SD Housing Development Authority,		
ARRA Homeless Prevention & Rapid Re-Housing Program	14.257	42,998.28
Total Department of Housing and Urban Development		514,246.28
Department of Interior:		
Direct Federal Funding:		
Distribution of Receipts to State and Local Governments (Refuge Revenue Sharing Act) (See Note 2)	15.227	16,282.00
Department of Justice:		
Direct Federal Funding:		
State Criminal Alien Assistance Program	16.606	120,865.72
Bulletproof Vest Partnership Program	16.607	1,906.36
Public Safety Partnership and Community Policing Grants (See Note 4)	16.710	23,861.84
Juvenile Mentoring Program (See Note 3 and Note 4)	16.726	204,685.03
Indirect Federal Funding:		
SD Attorney General's Office,		
High Intensity Drug Traffic Area (HIDTA)	16.UNKNOWN	65,411.58
ARRA Internet Crimes Against Children Task Force Program (ICAC)	16.800	8,990.94
City of Sioux Falls,		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	50,911.13
ARRA Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	108,874.18
SD Department of Corrections,		
Juvenile Accountability Block Grants (See Note 4)	16.523	47,351.05
Juvenile Justice and Delinquency Prevention--Allocation to States (See Note 4)	16.540	22,863.70
Protecting Inmates and Safeguarding Communities Discretionary Grant Program	16.735	23,118.14
SD Network Against Family Violence and Sexual Assault,		
The Community-Defined Solutions to Violence Against Women Grant Program	16.590	68,996.78
SD Department of Public Safety--Highway Safety,		
Enforcing Underage Drinking Laws Program	16.727	14,851.53
Total Department of Justice		765,302.09

55

MINNEHAHA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009
(Continued)

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	2009 Expenditures
Department of Transportation:		
Indirect Federal Funding:		
SD Department of Public Safety--Highway Safety,		
State and Community Highway Safety	20.600	8,944.00
General Services Administration:		
Indirect Federal Funding:		
SD Federal Property Agency,		
Donation of Federal Surplus Personal Property (See Note 5)	39.003	847.82
Elections Assistance Commission:		
Indirect Federal Funding:		
SD Secretary of State,		
Help America Vote Act Requirements Payments	90.401	30,113.80
Department of Health and Human Services:		
Indirect Federal Funding:		
SD Department of Health,		
National Bioterrorism Hospital Preparedness Program (See Note 4)	93.889	87,343.61
Department of Homeland Security:		
Direct Federal Funding:		
Department of Homeland Security,		
Emergency Food and Shelter National Board Program	97.024	15,006.21
ARRA Emergency Food and Shelter National Board Program	97.114	10,150.00
Indirect Federal Funding:		
SD Department of Public Safety--Emergency Management,		
Emergency Management Performance Grant	97.042	168,557.94
Homeland Security Grant Program (See Note 4)	97.067	1,919,866.24
Total Department of Homeland Security		2,113,580.39
GRAND TOTAL		$ 4,223,945.18

Note 1: The accompanying schedule of expenditures of federal awards includes the federal grant activity of the county and is presented on the modified accrual basis of accounting unless otherwise noted. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2: Federal reimbursements are not based upon specific expenditures. Therefore, the amounts reported here represent cash received rather than federal expenditures.

Note 3: This represents a Major Federal Financial Assistance Program.

56

MINNEHAHA COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009
(Continued)

Federal Grantor/Pass-Through Grantor Program or Cluster Title	Federal CFDA Number	2009 Expenditures

Note 4: Of the federal expenditures presented in the schedule, the county provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number		Amount Provided to Subrecipients
Public Safety Interoperable Communications Grant Program	11.555	$	662,364.79
Community Development Block Grant/State's Program and Non Entitlement Grants to Hawaii	14.228		471,348.00
Juvenile Accountability Block Grants	16.523		36,911.65
Juvenile Justice and Delinquency Prevention—Allocation to States	16.540		17,415.00
Public Safety Partnership and Community Policing Grants	16.710		21,887.97
Juvenile Mentoring Program	16.726		194,842.[illegible]
National Bioterrorism Hospital Preparedness Program	93.889		82,476.73
Homeland Security Grant Program	97.067		1,185,878.48
Total		$	2,858,131.72

Note 5: The amount reported represents 23.3% of the original acquisition cost of the federal surplus property received by the county.

APPENDIX D –
FORM OF BOND COUNSEL OPINION

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$2,075,000 Limited Tax General Obligation
Certificates of Participation, Series 2011A
Evidencing Undivided Interests in Lease Payments to Be Made by the
Minnehaha County, South Dakota
Pursuant to a Lease-Purchase Agreement with
U.S. Bank National Association

We have acted as Bond Counsel in connection with the issuance of the obligations described above, dated, as originally issued, October 4, 2011 (the "2011A Certificates"), pursuant to the Thirteenth Supplemental Declaration of Trust, dated as of September 1, 2011 (the "Trust Agreement") by U.S. Bank National Association, as trustee (the "Trustee") and joined in by Minnehaha County, South Dakota (the "County"), for the purpose of providing funds to construct a jail addition.

For purposes of rendering this opinion, we have examined certified copies of certain proceedings taken, and certain affidavits and certificates furnished by the County and the Trustee, including the following:

(i) the Trust Agreement;

(ii) the Thirteenth Amendment to Lease-Purchase Agreement, dated as of September 1, 2011 (the "Lease"), between the Trustee and the County;

(iii) the Resolution adopted by the County Board on July 19, 2011 (the "Resolution") authorizing the execution and delivery of the Lease, and approving the Trust Agreement and the issuance of the 2011A Certificates;

(iv) such other documents as we have deemed relevant and necessary as a basis for the opinions set forth herein, including the form of the 2011A Certificates.

As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits and certificates furnished to us without undertaking to verify the same by independent investigation. From our examination of such proceedings, affidavits and certificates, and on the basis of existing law, it is our opinion that:

1. The Trust Agreement and the Lease have been duly authorized, executed and delivered by the parties thereto and constitute valid and legally binding agreements of the parties thereto enforceable in accordance with the terms thereof, except to the extent to which enforceability thereof may be limited by the exercise of judicial discretion or by state or federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights.

2. The 2011A Certificates evidence proportionate interests in the right to receive Lease Payments (as defined in the Lease) and certain other payments, revenues and receipts derived under the Lease, including certain funds, interest earnings, and insurance and condemnation proceeds, all in the manner set forth in the Trust Agreement. The 2011A Certificates are secured by a pledge of such

payments, revenues and receipts under the Trust Agreement and by a leasehold mortgage on certain property described in the Trust Agreement.

3. By the Resolution, the County has covenanted and agreed to include in its annual budget, for each fiscal year during the term of the Lease, moneys sufficient to pay the Lease Payments and other amounts payable under the Lease, and to take all actions necessary to provide moneys for payment of its obligations under the Lease, including the levy of ad valorem taxes therefor, subject only to the limitations on such levies imposed by South Dakota law.

4. The interest component of the Lease Payments to be received by the Owners of the 2011A Certificates: (a) is not includable in gross income for federal income tax purposes; (b) is not an item of tax preference includable in alternative minimum taxable income for purposes of the federal alternative minimum tax applicable to all taxpayers; (c) is includable in adjusted current earnings of corporations in determining alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations; and (d) is includable in gross income for South Dakota tax purposes when the recipient is a financial institution as defined in South Dakota Codified Laws, Chapter 10-43.

The opinions expressed in paragraphs 1 through 3 above, are subject to the effect of any state or federal laws relating to the bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the exercise of judicial discretion.

The opinions expressed in paragraph 4 above are subject to the condition of compliance by the County with all requirements of the Code that must be satisfied subsequent to the issuance of the 2011A Certificates in order that interest thereon may be, and continue to be, excluded from gross income for federal income tax purposes and that the Lease and the 2011A Certificates be and continue to be qualified tax-exempt obligations. The County has covenanted to comply with these continuing requirements. Failure to do so could result in the inclusion of the interest component of the Lease Payments to be received by the Owners of the 2011A Certificates in gross income for federal income tax purposes, retroactive to the date of issuance of the 2011A Certificates. Except as stated in this opinion, we express no opinion regarding federal, state or other tax consequences to Owners of the 2011A Certificates.

Dated this 4th day of October, 2011.

LINDQUIST & VENNUM, P.L.L.P.

APPENDIX E –
BOOK-ENTRY-ONLY SYSTEM

The following information concerning DTC and DTC's book-entry-only system have been obtained from DTC. The County and the Financial Advisor make no representation as to the accuracy of such information.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Certificates. The Certificates will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificates certificate will be issued for the Certificates, in the aggregate principal amount thereof, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 1 7A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfer and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly- owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Certificates, except in the event that use of the book-entry-only system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be

requested by an authorized representative of DTC. The deposit of the Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates: DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Certificates within a Series maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of finds and corresponding detail information from the County or the Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in the "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Registrar, disbursement of such payments to the Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to the County or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bond certificates will be printed and delivered.

NEITHER THE COUNTY NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE DTC PARTICIPANTS OR THE PERSONS FOR WHOM THEY

ACT AS NOMINEE WITH RESPECT TO THE PAYMENTS TO OR THE PROVIDING OF NOTICE FOR THE DTC PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE CERTIFICATES. THE COUNTY CANNOT AND DOES NOT GIVEN ANY ASSURANCES THAT DTC, THE DTC PARTICIPANTS OR OTHERS WILL DISTRIBUTE PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE CERTIFICATES PAID TO DTC OR ITS NOMINEE, AS THE REGISTERED OWNER, OR PROVIDE ANY NOTICES TO THE BENEFICIAL OWNERS OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC WILL ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

The Book-Entry Agreement may be terminated by either the County or DTC. In the event of such a termination, if no substitute Securities Depository can be found which is willing and able to undertake such functions upon reasonable and customary terms, the Certificates shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede & Co., as Nominee of DTC, but may be registered in whatever name or names Owners transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

Portions of the foregoing concerning DTC and DTC's Book-Entry System are based on information furnished by DTC to the County. No representation is made herein by the County or the Financial Advisor as to the accuracy or completeness of such information.

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APPENDIX F –
CONTINUING DISCLOSURE

Purpose and Beneficiaries

To provide for the public availability of certain information relating to the 2011A Certificates and the security therefor and to permit the original purchaser and other participating underwriters in the primary offering of the 2011A Certificates to comply with amendments to Rule 15c2-12 promulgated by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the 2011A Certificates, the County hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding 2011A Certificates. The County is the only "obligated person" in respect of the 2011A Certificates within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The County has complied in all material respects with any undertaking previously entered into by it under the Rule.

If the County fails to comply with any provisions in the Continuing Disclosure Agreement, any person aggrieved thereby, including the Owners of any Outstanding 2011A Certificates, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained herein, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default hereof constitute a default under the 2011A Certificates or under any other provision of the Trust Agreement or Lease.

As used herein, "Owner" or "Bondowner" means, in respect of a Series 2011A Certificate, the Holder thereof, and any other person who provides to the Trustee evidence in form and substance reasonably satisfactory to the Trustee that such person (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Series 2011A Certificate (including persons or entities holding 2011A Certificates through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Series 2011A Certificate for federal income tax purposes.

Information To Be Disclosed

The County will provide, in the manner set forth under the heading "Manner of Disclosure" herein, either directly or indirectly through an agent designated by the County, the following information at the following times:

(1) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB, on or before 270 days after the end of each fiscal year of the County, commencing with the fiscal year ending December 31, 2011, the following financial information and operating data in respect of the County (the "Disclosure Information"):

> (A) the audited financial statements of the County for such fiscal year, accompanied by the audit report and opinion of the accountant or government auditor relating thereto, as permitted or required by the laws of the State of South Dakota, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the County, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental

accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under South Dakota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the County, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the County; and

(B) To the extent not included in the financial statements referred to in paragraph (A) hereof, the information of the type set forth below, which information may be unaudited, but is to be certified as to accuracy and completeness in all material respects by the fiscal officer of the County to the best of his or her knowledge, which certification may be based on the reliability of information obtained from third party sources and the information of the type contained in the Official Statement in **Appendix B**.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the County shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within ten (10) days after the receipt thereof, the County shall provide the audited financial statements.

Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been filed with the SEC or have been made available to the public on the Internet web site of the Municipal Securities Rulemaking Board ("MSRB"). The County shall clearly identify in the Disclosure Information each document so incorporated by reference.

If any part of the Disclosure Information can no longer be generated because the operations of the County have materially changed or been discontinued, such Disclosure Information need no longer be provided if the County includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other County operations in respect of which data is not included in the Disclosure Information and the County determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations.

If the Disclosure Information is changed or the Continuing Disclosure Agreement is amended as permitted by this paragraph therein, then the County shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):

(A) Principal and interest payment delinquencies;

(B) Non-payment related defaults;

(C) Unscheduled draws on debt service reserves reflecting financial difficulties;

(D) Unscheduled draws on credit enhancements reflecting financial difficulties;

(E) Substitution of credit or liquidity providers, or their failure to perform;

(F) Adverse tax opinions or events affecting the tax-exempt status of the security;

(G) Modifications to rights of security holders;

(H) Bond calls;

(I) Defeasances;

(J) Release, substitution, or sale of property securing repayment of the securities; and

(K) Rating changes.

As used herein, a "Material Fact" is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Series 2011A Certificate or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a "Material Fact" is also an event that would be deemed "material" for purposes of the purchase, holding or sale of a Series 2011A Certificate within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

(3) In a timely manner, notice of the occurrence of any of the following events or conditions:

(A) the failure of the County to provide the Disclosure Information required under paragraph (1) under the heading "Information to be Disclosed" herein, at the time specified thereunder;

(B) the amendment or supplementing of the Continuing Disclosure Agreement together with a copy of such amendment or supplement and any explanation provided by the County under paragraph (2) under the heading "Term; Amendments; Interpretation";

(C) the termination of the obligations of the County hereunder pursuant to the terms under the Lease or Trust Agreement;

(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and

(E) any change in the fiscal year of the County.

Manner of Disclosure

(1) The County agrees to make available to the MSRB, in an electronic format as prescribed by the MSRB from time to time, the information described in paragraph (1) under the heading "Information to be Provided."

(2) The County further agrees to make available, by electronic transmission, overnight delivery, mail or other means, as appropriate, the information described under the heading "Information to be Provided" to any rating agency then maintaining a rating of the 2011A Certificates at the request of the County and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraph (1) of this subsection, or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(3) All documents provided to the MSRB pursuant to this subsection shall be accompanied by identifying information as prescribed by the MSRB from time to time.

Term; Amendments; Interpretation

(1) The covenants of the County herein shall remain in effect so long as any 2011A Certificates are Outstanding. Notwithstanding the preceding sentence, however, the obligations of the County herein shall terminate and be without further effect as of any date on which the County delivers to the Trustee an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the County to comply with the requirements herein will not cause participating underwriters in the primary offering of the 2011A Certificates to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) The Continuing Disclosure Agreement may be amended or supplemented by the County from time to time, without notice to (except as provided in paragraph (3) under the heading "Manner of Disclosure" herein) or the consent of the Owners of any 2011A Certificates accompanied by an opinion of Bond Counsel, who may rely on certificates of the County and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the County or the type of operations conducted by the County, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) the Continuing Disclosure Agreement as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the 2011A Certificates, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the County agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) The Continuing Disclosure Agreement is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.